

CHAPTER 3: SECTION 1

YEAR END APPROPRIATION TRANSFERS AND OVEREXPENDITURES

KEY DATES

July 6 ,	
July 19 – July 28	Overexpenditure reports are available on these business dates.
July 23	Overexpenditure and transfer forms are due at SCO.
August 2	Signed overexpenditure form on approved overexpenditures due to SCO.

1.1 Statutory Authority for Appropriation Transfers and Overexpenditures

The Colorado Revised Statutes contain three provisions intended to provide flexibility in dealing with overexpenditures. First, CRS 24-75-107.5 allows the Governor to approve an “increase (to) a cash fund exempt appropriation by decreasing a cash fund appropriation in a corresponding amount.” Second, CRS 24-75-108 allows the Governor, or in the case of the Judicial department the Chief Justice, to authorize transfers between certain types of appropriations or overexpenditures. Third, CRS 24-75-109 allows the State Controller, with the approval of the Governor, to approve expenditures in excess of appropriations. These last two remedies are not available prior to May 1 and are subject to certain maximum statewide dollar thresholds. This section sets forth guidelines for agencies to request these approvals.

Advance approval to transfer an appropriation or overspend a budgetary line is required. Release of disbursements against an overdrawn appropriation without prior approval will subject a fiscal officer to penalties per CRS 24-30-202(14). Overexpenditures not covered by the provisions of statute must be considered null and void ab initio per CRS 24-30-202(3).

Year end diagnostic reports showing overexpenditures will be available on INFOPAC and Document Direct by 11 a.m. on the dates shown above. All overexpenditures must either be cleared by proper accounting entries, or supported by an approved appropriation transfer or overexpenditure form (see Section 1.2 and 1.3). This includes transfers from cash spending authority to cash exempt spending authority within the same Long Bill line item. The methodology used to compute overexpenditures is explained in Section 1.5 of this chapter.

Please make every effort to identify appropriation transfer needs and potential overexpenditures as soon as possible using the forms following Section 1.5. Your cooperation is necessary to determine whether or not the state as a whole is in compliance with the statutes. If you determine that an overexpenditure is going to occur, but you cannot identify the exact amount, submit a form with an estimate as soon as possible. (See State of Colorado Fiscal Rules: Rule 7.4.) You need to submit a revised form no later than July 23 . Statutory funds with cash funding source codes that have underearned revenue are not considered overexpenditures if the fund has sufficient fund balance to cover the underearning. (Note: The State Controller cannot approve an overexpenditure that results in a deficit fund balance.) Federal expenditures unsupported by federal revenue constitute an overexpenditure; they must be covered elsewhere in the budget or reported as an overexpenditure.

The State Controller and OSPB approve or disapprove all transfer and overexpenditure forms during the week beginning July 26 . The exception is transfers of cash to cash exempt spending authority within the same funding source. These transfer requests will be approved by OSPB and SCO weekly. You will be notified by the State Controller's Office whether or not your request is approved as soon as the action is taken.

1.2 How to Request an Appropriation Transfer

Wherever possible, overexpenditures should first be covered by transfers from an eligible budgetary line. If you have questions about which budgetary lines are eligible for possible transfer please refer to CRS 24-75-108. If you still have questions, consult your field accounting specialist or OSPB analyst.

To request a transfer of spending authority:

1. Complete the Appropriation Transfer Authorization Form for each budgetary line. See form example following Section 1.5. Transfer forms will be e-mailed to all non-higher ed controllers after completion of this manual. All submissions should be via attachments to e-mails.
2. Fully document the overexpenditure/request for transfer, including the cause of the overexpenditure, the steps taken to minimize the expenditures, and the consequences of the transfer being denied. Also include the events or circumstances leading up to the request; identify the "like" purpose, if it is a one-time or on-going issue, if it will require a statute or budget change in the future. If the request involves a cash fund, the current fund balance should be documented. Attach additional sheets if the space provided on the form is not sufficient.
3. State in the explanation whether disbursements (warrants) have been held.
4. Indicate the date you anticipate that without the transfer, the budgetary line will be overspent and the date of any affected payroll.
5. There is no need to send AP documents with the transfer request until the request is approved (see #6 below for exceptions). Your agency will be notified of the amount approved and then asked to submit the necessary AP documents. SCO will notify you of approval or rejection of your request by July 26 .
6. For transfers from cash to cash exempt spending authority within the same funding source code, both a final transfer form and AP documents with level 3 approval should be sent to the SCO.
7. Please e-mail your request for approval of transfers to the State Controller's Office, attention of your Field Accounting Services Specialist. The form, along with any additional documentation, should be attached to the e-mail.

1.3 How to Request an Overexpenditure Authorization

If an agency is unable to cover overexpenditures by an appropriation transfer, a request for overexpenditure approval should be made using the following procedures:

1. Complete an Account Overexpenditure Authorization Form for each budgetary line where an overexpenditure is anticipated. (See form following Section 1.5)

2. Fully document the reason for the overexpenditure, including the cause of the overexpenditure, the steps taken to minimize the expenditures, and the consequences of the overexpenditure being denied. Attach additional sheets if the space provided on the form is not sufficient.
3. State in the explanation whether disbursements (warrants) have been held.
4. Indicate the date you anticipate the budgetary line will be overspent and the date of any affected payroll.
5. The budget to actual expenditure report and agency variance letters are the basis for identifying overexpenditures. Overexpenditures of appropriated funds are reported to the Governor as required by law for his approval. Overexpenditure forms signed by the department executive director are due to the SCO by August 2 and shall contain, at a minimum, the following information:
 - ♦ The amount of the overexpenditure and a description of the circumstances surrounding the overexpenditure
 - ♦ Name and position of the person responsible
 - ♦ A statement of the administrative action taken to address the problem or an explanation as to why administrative action was not considered necessary
 - ♦ A statement of procedural changes or internal controls that have been or will be implemented to prevent recurrence
6. If the overexpenditure is approved, CRS 24-75-109(3) requires that a like amount be restricted in the year following the overexpenditure. AP documents to restrict spending authority in FY04-05 for a FY03-04 overexpenditure are not required until the Governor approves the overexpenditure. Your agency will be notified of the amount approved and asked to enter the necessary AP documents.

Overexpenditures of nonappropriated funds are reported to the Governor by the State Controller when the overexpenditures are significant, appear to be ongoing, are related to a sensitive activity, or for other reasons determined appropriate by the State Controller. You will be contacted by your field accounting specialist if a variance letter is needed for non-appropriated overexpenditures.

7. Please e-mail your request for approval of overexpenditures to your agency's accounting specialist at the State Controller's Office. The form, along with any additional documentation, should be attached to the e-mail.

As required by statute, related accounts for FY04-05 will be restricted in the same amount as approved for the FY03-04 overexpenditure. The deadline to record the restriction is October 8 . Use restriction type "O" (alpha) on the AP document.

1.4 Deficit Fund Balances

Deficit fund balances are reported in a footnote to the state's comprehensive financial report (CAFR). The abnormal balance report at year end is the basis for identifying deficit fund balances. Agencies that have deficit fund balances as of final year end close must submit a letter to the State Controller by August 2 containing the following information:

- ♦ Department/agency name
- ♦ Statutory citation and description of the fund
- ♦ The amount and circumstances surrounding the deficit
- ♦ Name and position of the person responsible

- ♦ Action planned to correct the deficit
- ♦ A statement of procedural changes or internal controls that have been or will be implemented to prevent recurrence

1.5 Methodology Used to Determine Overexpenditures

For FY03-04, overexpenditures will be calculated using the process described in the following memorandum.

TO: Department Controllers and Budget Officers
Chief Financial Officers of Boards of Higher Education

FROM: Kenneth Conahan, Staff Director
Joint Budget Committee

George Delaney, Director
Office of State Planning and Budgeting

Clifford W. Hall, State Controller
Division of Accounts and Control

DATE: June 29, 1994

SUBJECT: Determining Overexpenditures for FY93-94

The purpose of this memorandum is to provide the basis for determining how overexpenditures will be calculated for appropriated amounts in the Long Bill for FY93-94. This is necessary since additional columns have been added to the Long Bill, fund balance of statutory funds are appropriated in the Long Bill and the added flexibility and implied intent set forth in the transfer bill (HB94-1367).

Previously, overexpenditures were reported if the overexpenditures exceeded the total line item appropriation or if total expenditures less cash/federal revenues exceeded the general fund appropriation budget line and there was no statutory fund balance to cover the overexpenditures. The requirement now exists to not only comply with the total line item appropriation but also to stay within the appropriation by Long Bill column (funding type) at the Long Bill line or group (funding source code level) depending on how the Long Bill is portrayed.

In order to measure compliance with this secondary level of budgetary control, it was necessary to devise a budget formula to compute expenditures by funding type at the funding source code level. Following are the allocation rules that will be applied in the order shown when year end budget to actual compliance reports by funding type within funding source are prepared by the State Controller's Office:

1. Direct coding by funding type at the appropriation code level will be recognized to the extent possible and take precedence over any allocation formula.
2. Federal expenditures will equal federal revenues and receive the first allocation of total expenditures for the funding source code.
3. Expenditures will be allocated next to the Cash Exempt and then to the Cash funding types to the extent of the lesser of the budget or earned revenues. In the case of reserve appropriations, the annotated budget will be added to earned revenues in the allocation calculation.
4. Remaining expenditures will be allocated next to the General Exempt and then to the General funding types based on the lesser of the budget or unallocated expenditures.

5. Remaining unallocated expenditures will then be distributed to the Cash Exempt and Cash funding types to the extent earned revenues exceed the budget amount.
6. Finally, any remaining expenditures will then be added to either General Exempt, if fund 100, Capital Construction Exempt if fund 461, or Cash Exempt if in another fund.

Some examples of the application of the Allocation formula are shown in Attachment A. Any questions about the calculation of overexpenditures should be directed to your field accounting specialist.

Attachment

cc: DOAC Field Controllers

Attachment A

	TOTAL	GENERAL	GENERAL EXEMPT	CASH	CASH EXEMPT	FEDERAL
CASE 1:						
Budget	15	5		5		5
Revenue	5			3		2
Expenditure	10	5		3		2

General fund (fund 100); cash and federal revenues underearned; no overexpenditure.

CASE 2:						
Budget	15	10		5		
Revenue	6			6		
Expenditure	15	10		5		

General fund (fund 100); cash overearned; no overexpenditure.

CASE 3:						
Budget	15	10		5		
Revenue	4			4		
Expenditure	15	10+1		4		

General fund (fund 100); cash underearned; General fund overexpenditure.

CASE 4:						
Budget	15			10	5	
Revenue	9			9	5 (reserve approp.)	
Expenditure	15			9	5+1	

Cash fund; reserve approp of 5, cash rev of 9 underearned; cash exempt overexpenditure.

CASE 5:						
Budget	15			10	5	
Revenue	11			11		
Expenditure	15			10	5	

Cash fund; reserve appropriation, cash rev overearned; no overexpenditure.

CASE 6:						
Budget	15			10	5	
Revenue	11			5	6	
Expenditure	15			5	5+5	

Cash fund; cash rev underearned; cash exempt revenue overearned; cash exempt overexpenditure.

Fiscal Year 2003-2004 Appropriation Transfer Authorization

Agency Code: _____ Fund #: _____
 Department/Agency: _____
 Requested by: _____

Title: _____

Date: _____
 Phone: _____

☐ Estimate ☐ Final

FROM:**TO:**

Long Bill Line Title	LB Line #	Funding Source	APPR Code	TYPE G-C-W-F	Amount	Long Bill Line Title	LB Line #	Funding Source	APPR Code	TYPE G-C-W-	Amount
					\$						\$
					\$						\$
					\$						\$
					\$						\$
				TOTAL	\$					TOTAL	\$

EXPLANATION (Provide separate form for unrelated programs and lines; increase to two pages if necessary for adequate explanations.)

What events or circumstances created the need for this transfer? Please be specific.

Identify "like purpose" if it is required for purposes of this transfer.

Is this a one-time or ongoing problem?

Are there warrants being held? Identify time constraints associated with this transfer.

Will this require a statutory or budget change in the future?

Cash fund fund balance \$ _____, as of _____ (date).

STATE CONTROLLER'S OFFICE	OFFICE OF STATE PLANNING & BUDGETING	CGTS - APPLICATION SERVICES
RECEIVED: FAST REVIEW: SCO Comments:	RECEIVED: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved OSP: _____ Date: _____ OSP Comments:	COFRS DOCUMENTS

Fiscal Year 2003-2004 Account Overexpenditure Authorization

Agency Code: _____

Fund #: _____

☐ Estimate ☐ Final

Department/Agency: _____

Final Overexpenditure: August 2, 2004

Executive Director Signature: _____

Requested by: _____

Title: _____

Phone: _____

Long Bill Line Title	Long Bill Line #	Funding Source	APPR Code	Current Spending Authority	Estimated FY00-01 Expenditures	Estimated Over-Expenditures FY00-01	Estimated Amount to be Disbursed After Date of Request	Estimated Date of Initial Over-Expenditures	P/R Dates	Funding Source Code Type
				\$	\$	\$	\$			
				\$	\$	\$	\$			
				\$	\$	\$	\$			

EXPLANATION:

What events or circumstances created this overexpenditure? Please be specific.

Is this a one-time or ongoing problem?

What actions were/are being taken with regard to this overexpenditure?

Are there warrants being held? Identify time constraints associated with this overexpenditure.

Will this require a statutory or budget change in the future? Will it require a supplemental in the next fiscal year?

Cash fund fund balance \$ _____, as of _____ (date).

DEPARTMENT EXECUTIVE DIRECTOR	STATE CONTROLLER'S OFFICE	OFFICE OF STATE PLANNING & BUDGETING
<input type="checkbox"/> FINAL OVEREXPENDITURE APPROVED	RECEIVED: FAST REVIEW: <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	RECEIVED: ANALYST REVIEW: <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED
EXECUTIVE DIRECTOR: _____ DATE: _____	STATE CONTROLLER _____ DATE _____	OSP: _____ DATE: _____

CHAPTER 3: SECTION 2

REQUESTING ROLLFORWARD OF APPROPRIATION AUTHORITY FROM FY03-04 TO FY04-05

KEY DATES

July 16	Requests for rollforwards due to SCO.
August 6	Target for SCO to have rollforwards recorded on COFRS.

By state law unexpended annual appropriations expire at the end of a fiscal year. In certain circumstances the State Controller may approve the rollforward of unused annual appropriations as provided by State of Colorado Fiscal Rules: Rule 7-3. The State Controller cannot rollforward an appropriation based on implied legislative intent. In order for a non-capital construction fund appropriation to rollforward, the appropriated funds must be legally committed by a purchase order or contract, and there must be extenuating circumstances which warrant carryover of the remaining appropriation, or there must be express legislative intent.

2.1 Rollforward of Appropriated General and Cash Funds

A rollforward of an unexpended appropriation may arise out of timing problems associated with completing a legislatively authorized project within a single fiscal year. Rollforward requests are required to extend appropriations funded from general, cash, or cash exempt fund sources beyond the initial appropriation year. A rollforward request will not be considered when it represents an effort to capture unexpended balances for general operations or when adequate appropriation is available in the next fiscal year for the same purpose. Each rollforward request must include both adequate justification and documentation of the issues that prevented the expenditure of funds within the current year. Final approval of general fund rollforwards requires that adequate general fund balance is available to support the request.

A rollforward request is not required for nonappropriated funds (e.g., federal and other custodial funds). See Chapter 2, Section 2.8 for further discussion of establishing spending authority for custodial carryforward items in the new fiscal year. A rollforward request is required for encumbered Tobacco Settlement money that is allowed per the statute creating the program.

2.2 Procedures for Appropriated General and Cash Fund Rollforward Requests

- ♦ Blocks of COFRS coding for rollforwards are assigned for each state agency by the SCO. These codes are permanently assigned to each agency. The codes assigned include Long Bill Line Numbers and Funding Source Codes. Agencies may assign any unique APP2 code to these lines. The number of lines assigned is based on the maximum number of rollforwards an agency has had during the last three years (agencies who have never had a rollforward were given a minimum number of five lines). If the number of requests exceeds the number of lines assigned, the agency should contact Dottie Relaford at 303-866-4165 for additional COFRS line coding. The assigned codes are as follows:

DEPARTMENT NAME	ASSIGNED LINE NUMBERS
Department of Personnel and Administration	RF001 – RF019
Department of Agriculture	
Agriculture	RF020 – RF029
State Fair Authority	RF030 – RF039
Department of Corrections	RF040 – RF064
Department of Education	
Education	RF065 – RF074
School for the Deaf and Blind	RF075 – RF084
Governor's Office	
Governor, Lt. Governor, OSPB	RF085 – RF089
Economic Development	RF090 – RF094
Energy Conservation	RF095 – RF096
Office of Innovation and Technology	RF097 – RF099
Department of Public Health and the Environment	RF120 – RF129
Higher Education	Call for assignment
Department of Transportation	RF100 – RF119
Department of Human Services	RF140 – RF149
Judicial Department	
Judicial, Supreme Court Library, Supreme Court Grievance	RF150 – RF159
Public Defender	RF160 – RF164
Alternate Defense Counsel	RF165 – RF166
Office of the Child's Representative	RF167 – RF169
Department of Labor and Employment	RF170 – RF179
Department of Law	RF180 – RF199
Legislative Department	
General Assembly, Joint Budget Committee, Legislative Council, Legislative Legal Services	RF200 – RF209
Office of the State Auditor	RF210 – RF219
Department of Local Affairs	RF220 – RF229
Department of Military Affairs	RF230 – RF239
Department of Natural Resources	RF240 – RF259
Department of Public Safety	RF260 – RF279

DEPARTMENT NAME	ASSIGNED LINE NUMBERS
Department of Regulatory Agencies	RF280 – RF289
Department of Revenue	
Revenue, Collections	RF290 – RF299
State Lottery Division	RF300 – RF304

DEPARTMENT NAME	ASSIGNED LINE NUMBERS
Division of Gaming	RF305 – RF309
Department of Health Care Policy and Financing	RF310 – RF329
Department of State	RF330 – RF339
Department of the Treasury	RF340 – RF349

- ♦ Completed rollforward request forms (see form at the end of this section), accompanied by proper and complete documentation including AP documents to record the rollforward, must be submitted to your field accounting specialist no later than July 16 .
- ♦ Separate “Request for Appropriation Rollforward” forms must be submitted for each general fund request, each cash or cash exempt fund request, and each appropriation code. Federal funds and other custodial funds are not included on these forms.
- ♦ Proper documentation is necessary to explain and support the request. Proper documentation may come in various forms such as a letter explaining that an item on a purchase order, which under normal circumstances would have been delivered prior to June 30, has not been received. If the justification for the rollforward is explicit legislative intent, please include a copy of the statute or Long Bill letter note or footnote that allows the funds to be carried forward.
- ♦ Attach a COFRS appropriation code reference table (APP2) screen print for the appropriation code to be used in recording the rollforward spending authority. The appropriation end date is set to the planned liquidation date on the rollforward request form. If an agency determines during the fiscal year that this date needs to be changed, provide appropriate justification to your field accounting specialist to have the date changed. Separate appropriation codes need to be established for each rollforward request. Establish these codes prior to the EPS purchase order roll process on July 16 in order to have purchase orders or contract encumbrances rolled forward into the new fiscal year. Remember to process a zero dollar AP for the new fiscal year prior to July 16 to activate the appropriation code.
- ♦ Attach a screen print of a new fiscal year AP transaction. The increase in spending authority should always be general exempt, cash, or cash exempt. The following table provides agencies with guidance on how general and cash funds should be rolled forward based on the original appropriation type, the fund in question, and the earnings status of the amount to be rolled at year end.

Original Appropriation Type	Fund 100 Roll As	Funds 101 - 999 Roll As
General Funds	General Funds Exempt	N/A
Cash/Cash Exempt Funds Already Earned	Cash Funds Exempt	Cash Funds Exempt
Cash Funds Not Yet Earned	Cash Funds	Cash Funds
Cash Exempt Funds Not Yet Earned	Cash Funds Exempt	Cash Funds Exempt

Agencies should also ensure corresponding annotations are used when preparing the appropriation documents for the rolled amounts. Use RSRC 9523 when recording a rollforward for earned cash or cash exempt funds, including funds earned in fund 100.

- ♦ Please note that these AP's can have numerous errors such as "BUBUE-APPR CODE NOT APPROVED" and "BUCGE-APPR DOES NOT EXIST ON APPI". **The AP should include the dollar amounts of the request on page one (the header), have an "05" spending authority indicator, and must be properly approved.** Agencies will be notified of the approved amount by SCO when the exact amount is determined after final close.
- ♦ The State Controller's Office will return a copy of the approved or denied rollforward request to the agency.
- ♦ Agencies requesting reconsideration of denied requests should submit any additional justification and or documentation directly to the State Controller.

To avoid delay in processing any rollforward request, the request forms must be properly completed and properly documented in accordance with the above instructions. Rollforward requests with insufficient documentation or justification will be disapproved. As a reminder, always round up on your rollforward requests. For example, if you need a rollforward for \$87.16, make the request and AP document for \$88.

Rollforward requests must be received at the State Controller's Office no later than 5:00 p.m. on July 16. SCO will process rollforward requests prior to period 1 close. If you have questions please call your field accounting specialist.

Agencies will be responsible for numbering their own rollforward requests. The numbering convention to be used is the three-character, alpha agency code followed by sequential numbers (i.e., ACA1, ACA2, ACA3, etc.). SCO and OSPB will use these numbers throughout the process.

2.3 Rollforwards Related to Multiple-Year Contracts

In certain instances an agency may have multiple-year contracts extending beyond the current fiscal year that will require the rollforward of the current year appropriation. This includes late contracts that require an amendment to extend the performance period beyond June 30 into the next fiscal year. In these situations it is critical that both the contract/amendment and the rollforward be evaluated and approved at the same time. Therefore, if an agency submits a contract to the SCO that will require a rollforward of current year appropriation, the agency must also submit a completed rollforward request along with the contract. The SCO contracts section will then work with the related accounting specialist and the State Controller to evaluate the contract and the rollforward request together.

It is important to note that if SCO approves a multiple-year contract it is assumed that any funding beyond June 30 of the current year will come from appropriations in the subsequent fiscal year. Contract provisions, unexpected circumstances, and other mitigating factors will be evaluated as part of the approval process and all such items should be clearly communicated to the SCO with the contract and the rollforward request. Communication on these types of contracts should occur as soon as possible after they are identified by the agency.

When state agencies route contracts to the central approvers that are contingent upon an approved spending authority rollforward they should mark the CLIN table in COFRS as described in the following paragraph. This will help identify contracts with rollforward requests attached and ensure that they are delivered to the State Controller's Office for review by the CAOS and FAST sections in a timely manner.

In the ROUTING lines of the CLIN table enter a "1" in the field prior to DOAC, then enter the numbers in the correct sequence for the routing to the other central approvers (e.g., personnel "2", Attorney General "3"). On the bottom line of the CLIN table in the comments section type "Rollforward Request". State agencies may also attach a flag to the contract packet indicating that the contract should be delivered to Phil Holtmann of the CAOS section. Because of the urgent need to get spending authority approval and contract execution, state agencies may wish to hand carry these contracts and rollforward requests to the State Controller's Office.

In addition, the SCO contracts section will begin identifying contracts submitted late in the year that they believe may need a rollforward. In these instances, the agency will be contacted to determine whether a spending problem does exist for the current fiscal year or whether a rollforward is needed.

2.4 Rollforwards Funded by Another State Agency

When an agency has a rollforward request that is funded from an appropriation of another state agency, both state agencies must submit a rollforward request.

REQUEST FOR APPROPRIATION ROLLFORWARD
FROM FISCAL YEAR 2003-2004 TO 2004-2005Rollforward Number _____
(Assigned by Agency)

Date _____

Agency Name _____

Agency Code _____

Amount of Request \$ _____

Amount of Unexpended Appropriation \$ _____

Amount of Encumbrance \$ _____

Encumbrance Document Number(s): _____

Planned Liquidation Date (date in APP2 table will be set to this date) _____

Current Fiscal Year Appropriation Recorded In:

Fund # _____ LBLI Code _____ Fund Source Code _____ Appropriation Code _____

Source and Amount of Funding of Rollforward Request:

General ExemptCash ExemptCash (Non-Exempt)

\$ _____

\$ _____

\$ _____

Justification for Request:_____
Agency Director_____
Date

Request Approved For:

General Exempt \$ _____

Cash Exempt \$ _____

Cash Non-Exempt \$ _____

Request Denied For:

General Exempt \$ _____

Cash Exempt \$ _____

Cash Non-Exempt \$ _____

Approval of the request is contingent on available unexpended appropriation at close of fiscal year.

State Controller_____
Date

Please submit request to your field accounting specialist at the State Controller's Office by July 16 .

Requests for reconsideration of denials should be submitted directly to the State Controller.

CHAPTER 3: SECTION 3

CLOSING ACCOUNTING ISSUES

KEY DATES

June 18	Requests to cancel or reissue aged warrants from EAP18R report must be submitted to SCO.
June 30	Walk-in cash deposits must be at the State Treasurer's Office by 2:00 p.m.
July 8	Last day to initiate IT transactions.
July 13	Last day to process IT transactions involving higher education institutions.
July 15	Last day to reissue expired warrants from balance sheet account 2751.
July 15	Last day to have FY03-04 CR documents approved by the state treasury.
July 16	Period 12 close (non-higher education IT cutoff, PV cutoff date, clear balance sheet account 2751).
July 14	Last day to process PB and AJ documents. All reallocation entries for June payroll expenditures must be completed by this date.
July 21	SCO issues the Unrealized Gain/Loss Report on market valuation of Treasurer's pooled cash.
July 28	Period 13 of FY03-04 closes for agency input.
July 30	FY03-04 final close.
August 4	SCO issues Exhibit Reconciling Balance Report, Variance Analysis Reports, Request for Response to Variances Analysis, and Exhibit J Data Report.
August 18	Variance analysis responses due to SCO.
August 18	Agency financial statements and most exhibits due to SCO.

The material in this section has several intended purposes:

- ♦ Assist agencies in developing uniform year end accounting procedures.
- ♦ Inform agencies of significant accounting changes that impact year end financial reporting.

Each agency is responsible for accurate, timely, and complete year end accounting. These procedures are applicable to all state agencies in the legislative, judicial, and executive branches of government.

3.1 Preparing Accounting Estimates

Agencies should review their current accounting estimation procedures to ensure they are consistent with this guidance. If more estimates are necessary to meet the closing timetable, this guidance will serve as a standard for developing processes to prepare those estimates. If an agency follows this guidance and produces an estimate that subsequently proves to be inaccurate, the agency will be supported by the standard. The revenue and expenditure accrual estimation methodologies need to be documented so the process and source data may be used from year to year to achieve consistency and improve estimation methodology. An inaccurate estimate may indicate the need to research variances and use a different methodology to produce a more accurate estimate, given time and resource constraints. Each agency is expected to strive to improve its estimation process between closings with the objective of improving accuracy over time. Since agencies must enter information into the state's accounting system well before financial statements are produced and they are precluded from changing these entries after the close of period 13, agencies are only responsible for providing estimates based on the best information known prior to agency close (period 13 close). After that date, agencies need to inform the SCO of any changes needed to the year end accruals on an Exhibit H.

3.1.1 Estimation of Accrued Expenditures

Agencies are required to accrue all known liabilities at year end. In addition, agencies must report contingent liabilities in accordance with FASB 5. As part of the year end close process, some liabilities must be estimated. Agencies should make year end estimates based on supportable evidence and recognized situations and circumstances known before issuance of the financial statements. If there is a reason for a significant deviation from the factual source, the reason should be documented (e.g., a change in the weather from prior year would be a reason to deviate from the agency's utility bill of prior year if all other factors remain constant).

3.1.2 Estimation of Accrued Revenues

Agencies are required to accrue revenues in accordance with GAAP and the revenue recognition criteria applicable to the fund for which the accrual is made. Estimates of accrued revenue are calculated based on supportable evidence, situations and circumstances known before the issuance of the financial statements. Should current events suggest a need to deviate from a historical source, that change and the need for it should be documented.

3.1.3 Continuous Improvement of Estimation Process

In order to assess the reliability of the estimation process and improve that process in successive years, agencies should compare accounting estimates with subsequent results. Agencies may want to refer to Statement of Auditing Standards (SAS) No. 57 to better understand the relevance of such a comparison.

3.2 Accounts Payable Accruals

FY03-04 payment vouchers (PV's) must be entered on or before period 12 close on July 16 . PV's with a FY03-04 effective date will automatically record a liability in the vouchers payable account 2100 for FY03-04. Because of the time involved in closing and feeding higher education accounting information to COFRS, IT transactions involving higher education institutions must be processed by July 13 . Non-direct billed IT's should not be initiated after July 8 without the express agreement of the other agency involved. For goods and services received from sources other than state agencies on or before June 30, that have not been paid via a PV by the close of period 12 on July 16 , you must record an accounts payable accrual. Debit an expenditure account and credit 2120-ACCOUNTS PAYABLE - OTHER using a journal voucher (JV). Include the vendor code on the JV document for correct 1099 reporting. Intra/interfund accounts payable/receivable accruals must be confirmed with the controller of the other agency or fund and must be finalized by July 23 . Agencies are encouraged to finalize the confirmations as soon as

possible. The form in Chapter 3, Section 5.30 must be used to confirm your intra/interfund receivables and payables.

Documentation to support the payables should be retained in the agency for audit purposes. Do not accrue payables just to expend the balance of the appropriation. Conversely, all payables must be recorded even if it will result in an overexpenditure. Accounts payable relating to FY03-04 should be cleared by September 30. Be sure that any payables accrued in the capital construction fund are valid.

When clearing accounts payable that are the result of over accruing expenditures in a prior fiscal year, it is important to look at the funding source of the accrued expenditures.

1. If the expenditure was against a general fund, cash fund, or cash exempt fund appropriation, revenue source code 8302 should be credited and accounts payable debited. If the activity is in fund 100, appropriation code 999 should be credited.
2. If the expenditure was against a federal fund appropriation, the expenditure of the federal appropriation should be credited and accounts payable debited. An exception may exist if the federal grant is closed. In this case, you will need to coordinate with your federal agency the return of federal funds.

3.3 Accounts Receivable Accruals

In all funds, accounts receivable should be recorded when the related revenue is earned, but not yet collected, or it has been determined that there is a valid debt owed to the agency. In a governmental fund, in order to record a receivable, it must also be susceptible to accrual, meaning both measurable and available. Measurable means that a reasonable estimate of the amount due may be made. Available means the receivable will be collected in time to be used to fund expenditures within the next fiscal year. If the collectibility of the potential receivable is questionable, the agency needs to evaluate if a receivable should be recorded.

Receivables recorded in governmental funds that are not expected to be collected or are not due within the next fiscal year should not be recorded as current accounts receivable. Instead, they should be recorded as long term receivables with an offset to deferred revenue because the asset/revenue is not available. The deferred revenue related to these long-term receivable must be recognized as revenue under the full accrual basis of accounting. The entries to recognize this revenue are recorded in the General Full Accrual Account Group (GFAAG – Fund 471).

Each year in the governmental funds, agencies will likely report additions to the deferred revenue balance and/or reductions of the deferred revenue balance (with revenue recognition as the offset). In the GFAAG, agencies must eliminate the deferral additions by recognizing revenue. Agencies must also eliminate the current year governmental fund revenue (that was recognized in prior periods on the accrual basis in the GFAAG) by debiting revenue. The State Controller is leaving it to the agency's discretion how these entries will be made in the GFAAG. Some agencies may choose to reverse the prior year GFAAG accrual entry and post a new accrual entry based on the ending balance of the governmental fund deferred revenue account balance. Other agencies may decide to track the governmental fund additions and reductions of deferred revenue and post equivalent eliminating entries in the GFAAG. Regardless of the method chosen, when the GFAAG and the governmental funds are combined the result must reflect revenues on the full accrual basis.

Generally Accepted Accounting Principles (GAAP) specify that governmental funds usually record miscellaneous fees and fines on the cash basis. However, it is the State Controller's policy

that agencies use their professional judgment to determine if these items are measurable and available, and therefore, should be recorded as revenue and receivables before receipt of the cash.

In general, receivables should not be recorded with the credit to the allowance account for the total amount of the receivable.

Aging of accounts receivable is required by the "Department of Personnel & Administration Rules on Accounts Receivable Collections." Chapter 1, Section 1.32.02 of the rules requires a monthly "aged" trial balance of all accounts receivable included in total gross accounts receivable. The year end "aged" trial balance should be maintained by the department for audit and other reporting purposes.

3.4 Receivable Categories

The receivable categories remain the same as in the prior year. The categories are:

Student Receivables (Higher Education Reporting Only):

These are any amounts owed to an institution of higher education by a student or former student for such items as tuition, lodging, meals, books, fees, etc. These receivables do not include student loans or notes.

COFRS account number -- 1332

Allowance for Doubtful Accounts -- 1335

Taxes Receivable (Non-Higher Education Reporting Only):

These are amounts owed to a state agency by individuals or organizations (not other state agencies and institutions) for uncollected taxes.

COFRS account numbers -- 1310, 1311, 1326

Allowance for Doubtful Accounts -- 1316, 1317, 1327

Customer Accounts:

These are amounts owed to an agency or institution of the state by individuals or organizations (not other state agencies and institutions) for goods and services rendered, licenses, and other fees.

Non-Higher Education COFRS account numbers -- 1330, 1333, 1334,
1336, 1337, 1338, 1348, 1366

Allowance for Doubtful Accounts -- 1331, 1335, 1349, 1367

Higher Education COFRS account numbers -- 1332, 1333

Allowance for Doubtful Accounts -- 1331

Intra/Interfund Receivables:

These are amounts owed to agencies and institutions by other state agencies or institutions for goods and services provided or other types of transactions. Because of the importance of balancing the intra/interfund receivables and payables and eliminating them, there is not an allowance account reported on the financial statements for this category. To keep these receivables in balance, anything that is not expected to be collected should be a reduction of the receivable if it is not included in the payable.

Non-Higher Education and Higher Education COFRS account numbers -- 1370, 1371, 1390, 1391, 1392

Loans/Notes Receivables:

These are amounts owed to agencies and institutions of the state as a result of loans the state has made to individuals, organizations, other state agencies, local governments and institutions. This category does not include student loans made by colleges and universities.

Non-Higher Education COFRS account numbers -- 1360, 1362
Allowance for Doubtful Accounts -- 1361, 1363

Higher Education COFRS account number -- 1360
Allowance for Doubtful Accounts -- 1361

Receivables from Other Governments:

These are amounts due from other governments including amounts due under contracts and grants from the federal government. Receivables from other governments reimbursed through another state agency or institution should be reported as intra/interfund receivables. Amounts improperly incurred or amounts that exceed grant or contract limits that will not be reimbursed, should not be reported as receivables. Although not a usual occurrence, there may be some circumstances for which an allowance may be used.

Non-Higher Education and Higher Education COFRS account numbers -- 1350, 1351, 1352, 1353, 1354, 1355
Allowance for Doubtful Accounts -- 1359

Other Receivables:

These are receivables due from privately funded grants and contracts or other amounts owed to an agency or institution of the state. Receivables that have no corresponding revenue should be considered for reporting in this category.

Non-Higher Education COFRS account numbers -- 1300, 1320, 1342, 1395
Allowance for Doubtful Accounts -- 1321, 1343

Higher Education COFRS account numbers -- 1300, 1342, 1348, 1395
Allowance for Doubtful Accounts -- 1343, 1349

Long-Term Receivables Over One Year:

These are amounts owed to an agency or institution of the state by individuals or organizations that are not due for payment within the next twelve months. Since these receivables are not due for payment in the next 12 months, all of the long-term receivables should be reported in the not past due category of the aging schedule.

Non-Higher Education COFRS account numbers -- 1720, 1730, 1740, 1762
Allowance for Doubtful Accounts -- 1741

Higher Education COFRS account numbers -- 1720, 1730, 1762
Allowance for Doubtful Accounts -- 1741

Student Loans (Higher Education Reporting Only):

These are amounts due from students, under federal and nonfederal loan programs. The total amount reported as due includes both the state and federal participation amounts of the loan.

COFRS account number – 1362, 1762

Allowance for Doubtful Accounts – 1363, 1741

3.5 Accounts Receivable Allowance and Write-Off

The requirements for writing-off accounts are set forth in the “Department of Personnel and Administration’s (DPA) Administrative Rule on Accounts Receivable Collections”. All requests for write-offs should be sent to the Central Collections Services (CCS) section within the DPA .

CCS requires that all requests for write-offs contain the following information:

- ♦ CCS Debtor Number (if debt has been previously assigned to CCS. If the debt has not been previously assigned to CCS, please indicate that when the write-off request is submitted)
- ♦ Debtor Name
- ♦ Social Security Number (if available)
- ♦ Amount to be written off
- ♦ Contact name and phone number

Year end accounts receivable balances should be aged, which means grouping individual accounts according to the length of time the debt has been outstanding. This is useful both for identifying accounts that need additional collection effort and estimating the allowance for doubtful accounts that should be recorded. When establishing or increasing a receivable allowance account (type 01) in the general fund or other governmental funds, the debit should be made to the related revenue source code as a type 31 entry. An exception to this general rule is the allowancing of receivables for which there is no related revenue such as for a loan or note receivable. The debit in this case should be coded as an expenditure to account type 22 or 24 and object code 4120 “Bad Debt Expense.” The other exception is the write-off of a receivable established in a prior year that exceeds the balance in the allowance for doubtful accounts. The amount of the write-off in excess of the allowance should be recorded as an account type 22 or 24 expenditure. Account type 24 entries do not impact budgets but still permit proper financial reporting. (Higher education institutions that do not have access to COFRS type 24 accounts should continue to use type 22 accounts.) In proprietary fund types, including higher education funds, the offset to the receivable allowance or direct write-off should always be recorded as an expense.

An account receivable may be written off at any time during the fiscal year. This should be done when an agency determines that the account is uncollectible, and thus, should no longer be included in the state’s general ledger or financial statements. Any related allowance should also be removed. Write-offs should be recorded as a credit to the appropriate accounts receivable account and a debit to the type 01 allowance account. Accounts receivable that are fully allowanced should be considered for write-off. Remember that even though an account is written off, the debt to the state is not forgiven. Collection efforts continue through the Central Collection Service and through the use of programs such as the tax and vendor offset. Accounts receivable may only be forgiven or compromised with the approval of the State Treasurer and the State Controller.

If an agency receives a settlement offer on a current account, acceptance of the settlement requires approval of the State Controller and the State Treasurer in order to compromise or forgive a portion of the debt. Agencies should consider consulting their attorney general if they need help in the construction of a settlement agreement for this situation. Settlement agreements for accounts already submitted to Central Collection Service should follow the procedure outlined in its Administrative Rule for Collection for Accounts Receivable.

3.6 Reconciliation of Past Due Accounts Receivable Assigned to Central Collection Service

The Central Collection Services (CCS) Client Inventory Report is available at fiscal year end close. This monthly report of active accounts is used to reconcile your COFRS records to CCS records for receivables remitted to CCS for collection. Reconciliations should be kept at your agency for audit purposes and not sent to the State Controller's Office. Discrepancies need to be resolved directly with CCS.

The active inventory report includes the following information:

- ♦ Debtor name and number, as assigned by CCS;
- ♦ Outside collection agencies assigned to collect the account;
- ♦ Status of the assigned account;
- ♦ Original amount assigned to CCS including any interest accrued or other fees added by the agency;
- ♦ Add on fees or interest assigned by CCS or an outside collection agency;
- ♦ Previous month carryforward balance; and
- ♦ Current period payments, cancellations, and other adjustments.

3.7 Exemptions from Timely Submission of Accounts to Central Collection Service (CCS)

Certain agencies have received, either through statute or from the State Controller, an exemption from submitting past due accounts to CCS. Past due accounts, as defined by the Accounts Receivable Administrative Rule, include receivables 30 or more days past the due date established by the agency. In most cases the exemption allows for additional time to submit accounts to CCS based on a specific or unique circumstance in that agency. Unless statutorily exempted, an exemption from turning accounts over to CCS must be obtained from the State Controller. The State Controller's Office will periodically review these exemptions to determine whether the circumstances for which they were given are still valid. Any agency wishing to apply for an exemption should do so by submitting a letter to the State Controller citing its circumstances and the specifics of the exemption they are requesting.

3.8 Credit Cards

Colorado Revised Statutes (24-19.5-101) allow state agencies to accept payments by credit card. The State Controller has adopted the following policy regarding payments received by credit card.

- ♦ If the full amount of the payment to the state is received from the customer and the agency subsequently disburses bank fees, or otherwise provides funds for the bank fees, the agency shall record the revenue gross and the bank fee as an expenditure. Object code 4105 - Bank Card Fees has been established for this purpose. When the fee has not been specifically budgeted to the agency, then the agency may use a type 24 (which does not reduce available budget) to expense the bank fee. Institutions of higher education may post the fee to a non-appropriated fund.
- ♦ When the agency receives the payment net of the bank card fees, then the agency shall record the revenue gross and the bank card fee as a debit to revenue in either 5208 - Credit

Card Fees Nonexempt or 5209 - Credit Card Fees Exempt. Nonexempt or exempt classification is dependent on the nonexempt or exempt status of the revenue collected in the transaction.

Questions about this policy may be directed to your field accounting specialist.

3.9 Augmenting Revenue

Prior to final closing, each augmenting revenue account should be analyzed and necessary adjusting entries made. These revenues may be from federally sponsored programs or cash sources such as agency charges for goods and services. Federal revenue accruals should be based on the federal matching rate applied to the related expenditures. Other agency cash funded revenue accounts should reflect only the actual earned revenue.

In funds supported by general purpose revenue (funds 100 and 461), an underearning of augmenting revenue may create an overexpenditure because augmenting revenues are subtracted from total expenditures to determine the net general fund expended. It is important that you carefully review each augmenting revenue balance to be sure that it is correct. In addition, it is important not to over accrue federal revenue since it will revert to fund balance.

3.10 Biweekly Payroll

The biweekly payroll for the period ended June 11 will be paid to employees on July 1, 2004. The biweekly payrolls for the periods ending June 11 and June 25 will be accrued and reported for financial statement purposes in FY03-04 but recorded against the FY04-05 budget.

3.11 Furniture and Equipment Inventory

Furniture and equipment having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit should be inventoried annually. If time does not permit the taking of a physical inventory at June 30, it is permissible to take the inventory at or after March 31 and adjust for additions and deletions occurring from the date of the physical inventory until June 30. The Office of the State Auditor should be advised if you elect to take inventory prior to June 30. These assets should be recorded in the General Full Accrual Account Group (471 fund), with the exception of enterprise, internal service, higher education institutions, and trust fund assets that are recorded in those funds. Adjustments needed as a result of the inventory are discussed below.

Prior to FY03-04, TMU and the Department of Human Services (DHS) implemented the fixed asset module on COFRS. The module has been revised to create general ledger entries similar to those described below for agencies other than DHS. DHS will provide year end fixed asset closing procedures to its staff. Use of the Fixed Asset module in COFRS is available to all state agencies.

Agencies other than the Department of Human Services should use the following procedures.

Proprietary (enterprise and internal service funds) and fiduciary funds other than higher education funds should record fixed assets using a type 23 account with a capitalizable property purchase object code (object group 60 in the chart of accounts). This will obligate the budget for the capital asset purchase and capitalize the asset in the fund. Higher education institutions (enterprise funds) should expense the capital purchase with a type 22 account using a capitalizable property purchase object code (object group 60 in the chart of accounts). Higher education agencies should eliminate the capital expense on COFRS by crediting the appropriate capitalizable object codes in fund 399 when debiting the capital asset or related clearing accounts. From the fund category perspective, the net effect of this accounting treatment is a simple conversion of cash to a fixed asset. Higher education institutions should record capitalizable

expenditures related to buildings directly into construction in progress and record non-capitalizable expenditures in a non-capital object of expenditure code.

In governmental funds, capitalizable property purchases should be expended in the governmental fund with a type 22 using a capitalizable property purchase object code (object group 60 in the chart of accounts). At year end or more frequently, governmental fund accountants should convert the capital expenditure on COFRS to full accrual by crediting matching capitalizable object codes in fund 471. This expenditure object is the offset when debiting the capital asset account to capitalize the asset. If you are coding an expenditure that is less than \$5,000, only use object group 60 for items that will be capitalized.

In all funds, the capitalization of donated capital assets should be offset by revenue source codes 6609 through 6617. Governmental funds would only make this entry in fund 471.

When a fixed asset inventory shows assets in excess of those capitalized through the processes described above it is likely because of a beginning balance problem or miscoding of capitalized property purchase objects or donated capital asset revenue source codes. The error should be identified and corrected.

When a fixed asset inventory shows assets less than the amount calculated as beginning balance plus capitalizable property purchases and donated capital assets less known fixed asset dispositions, a fixed asset has been lost or destroyed. The offset (debit) to reducing the book value of the capitalized asset should be made to the type 31 revenue codes 65XX – Gain/Loss on Property Disposal.

Fund 471 is set to “presence control” on COFRS. You do not need to establish a budget amount for these transactions; however, a zero dollar AP transaction needs to be processed to activate a valid appropriation code.

3.12 Cash Deposits with the State Treasurer

The State Treasurer must receive all walk-in deposits and lockbox receipts by 2:00 p.m. on June 30. Any walk-in deposits received after 2:00 p.m. on June 30 are recorded in the next fiscal year.

Agencies who have funds on deposit in agency bank accounts may choose to wire or electronic funds transfer (EFT) cash from the agency account to the Treasurer’s operating account on June 30 in order to have the balance included in the 1100 - TREASURER’S OPERATING CASH account for FY03-04. Cash receipt (CR) documents for these wire transfers must be faxed to the State Treasurer by July 15 (Treasury FAX # 303-866-2123). Any money remaining in the agency bank account at the end of business on June 30 must be shown on COFRS in a 10XX account and included on the agency’s Exhibit M. No amount should be reported in Balance Sheet code 1013 – Cash in Transit to Treasury at the close of the fiscal year. This procedure will ensure that bank statements as of June 30 parallel the COFRS presentation of treasurer’s operating cash and agency cash on deposit. All wire transfers for FY03-04 grant drawdowns must be initiated with enough lead time to ensure that cash is received and credited to the Treasury operating account by June 30. If your agency has not used wire or EFT transfers before, contact the cash manager at the state treasury for assistance, 303-866-3253. The transfer must be initiated in time for the state treasury to receive the funds by June 30.

Your bank should call you to verify the time and amount of the wire. Once cash is deposited with the treasury, it may then be distributed between funds with a JA or JV document. If a June 30 date is used on the document, it affects your FY03-04 trial balance. This distribution should be

made as soon as possible after July 1 since average daily balances in agency accounts are not affected for purposes of interest calculation until the distribution is processed.

If you have any questions regarding this procedure, please contact the accounting section at the Treasury (303-866-5649) or your field accounting specialist.

3.13 Compensated Absences Accrual

With the adoption of GASB 34/35 and GASB Interpretation No. 6 by the state on July 1, 2001, the liability for compensated absences is no longer a fund liability in the governmental funds unless it is payable by June 30, 2004.

The liability at June 30, 2004 (as computed below) is a fund liability for the proprietary and trust funds using full accrual accounting, but not for the governmental funds, which use modified accrual. The governmental funds will record their liability in fund 471 less any fund payable at June 30.

Agencies may calculate their compensated absences balances at the end of periods 09 (March), 10 (April), or 11 (May) and make adjustments for material changes occurring through June 30. The salary amount used to calculate the liability must be the employee's salary at June 30. An averaging technique for a group of individuals may also be used when that calculation results in a reasonably accurate estimate. Regardless of the methodology of calculation, the long-term liability should be increased by any known and material impending claims for sick and annual leave.

The calculation of the compensated absences liability includes:

- ♦ The value of annual leave should be computed as the total days earned, but not taken, times the salary rate per day in effect at the close of the fiscal year. The annual leave accrual also includes the state share of PERA, FICA, or other retirement programs as appropriate. The PERA percentage is 10.15 percent of salary, except for state troopers and CBI agents for which it is 12.85 percent, and Judicial Branch judges for which it is 12.66 percent. For employees hired after March 31, 1986, the state share of Medicare taxes of 1.45 percent of salary is added to the accrual.
- ♦ The value of the vested sick leave accrual should be computed as follows:
25 percent of the total number of sick leave days (not to exceed 45 days plus sick leave earned prior to July 1, 1988), earned but not taken by employees at the close of the accounting period, multiplied by the percentage of current employees covered by PERA that are expected to retire from state service, multiplied by the salary rate per day in effect at the close of the fiscal year. The actuarial percentage of current employees covered by PERA that are expected to retire from state service will not be known until April 2004 or later. This information will be communicated to agencies in an alert. The sick leave accrual does not include the state share of PERA, FICA, other retirement plans, or Medicare taxes since the state share is not paid out at retirement. For higher education employees who are covered by retirement programs other than PERA or FICA and have vested sick leave retirement benefits, the employer should make a compensated absences accrual to assure that the appropriate liability is recorded per GAAP.

The increase or decrease (net change) to the compensated absence liability as of June 30, 2004 is recorded as follows:

- ♦ Funds using modified accrual (governmental funds):

In fund 471 record an increase in the compensated absences as:

- A debit (Type 22 or 24) to 1810-Comp Absence - Annual Leave and 1820-Comp Absence - Sick Leave, and
- A credit to 2910-LT Compensated Abs Liability-Annual Leave and 2920-LT Compensated Abs Liability-S/L.

In fund 471 record a decrease in the compensated absences as:

- A credit (Type 24) to 1810-Comp Absence - Annual Leave and 1820-Comp Absence - Sick Leave (this will result in an abnormal balance but that is allowable in Fund 471), and
- A debit to 2910-LT Compensated Absence Liability-Annual Leave and 2920-LT Compensated Absence Liability-Sick Leave.

In the governmental fund where the amount was payable at June 30, but not paid:

- A debit (Type 22) to 1810-Comp Absence - Annual Leave and 1820-Comp Absence - Sick Leave, and
- A credit to Type 02 – 2440 Current Compensated Absences

♦ Funds using full accrual (proprietary and trust funds):

In the fund record an increase in the compensated absences as:

- A debit (Type 24) to 1810-Comp Absence - Annual Leave and 1820-Comp Absence - Sick Leave, and
- A credit to 2910-LT Compensated Abs Liability-Annual Leave and 2920-LT Compensated Abs Liability-S/L.

In the fund record a decrease in the compensated absences as:

- A credit (Type 24) to 1810-Comp Absence - Annual Leave and 1820-Comp Absence - Sick Leave, and
- A debit to 2910-LT Compensated Abs Liability-Annual Leave and 2920-LT Compensated Abs Liability-S/L.

In all funds, including fund 471, any portion of the liability that is current (to be paid in the next fiscal year) should be reclassified to Type 02 – 2440 Current Compensated Absences. This means that each agency will have both current and long term liabilities for compensated absences. If the current portion is estimated for the retirements to occur in the next year, the long-term liability will be the difference between the current portion and the total liability. Reasonable estimates should be used to allocate the liabilities between the current and long term portions.

3.14 Prepaid Expenses and Consumable Inventories

Agency policies for recording prepaid expenses at June 30 should be reviewed and applied on a consistent basis from year to year. Prepaid expenses should be recorded if the amount is material

and if the entire amount of the payment is attributable to the following year. If a significant and material portion of a payment is attributable to the following year, recording a prepaid expense for that portion should also be considered for recurring payments such as leases, dues, maintenance agreements, etc. Where the amount expensed from year to year is essentially the same, recording a prepaid amount may not be necessary. In all cases, “advance payments” should be closely reviewed to ensure that they are required by “contract terms” and are approved by the State Controller.

All agencies should record on their balance sheet at June 30 significant supplies or other consumable inventories. Significant for this purpose is defined as inventories totaling \$100,000 or more per location. Agencies should not forget that to change the level required to be in their consumable inventory from \$35,000 to \$100,000 requires expensing the difference. Agencies may record inventories under \$100,000 at their discretion. All inventories recorded on the balance sheet must be physically inventoried regardless of dollar amount (see inventory requirements below). If inventories under \$100,000 are not included on the balance sheet, SCO does not require them to be inventoried. However, the agency may decide to conduct a physical inventory count for management purposes. In all cases, internal policies and procedures related to consumable inventories should be consistently applied from year to year, and the recorded balances of such inventories are subject to verification and audit.

Inventories greater than \$100,000 per location must be inventoried annually. Recorded inventories less than \$100,000 per location must be inventoried at least biennially. Estimates of changes in value should be booked in the year a physical count is not taken.

All inventories should be taken at year end. However, if time or resources do not permit the taking of a physical inventory at year end, it is permissible to take the inventory at the end of period 09 (March), 10 (April), or 11 (May) and adjust for additions and withdrawals occurring from the date of the physical inventory until June 30.

Alternately, other inventory schedules may be established for perpetual inventories that are cyclical in nature. Physical counts of perpetual inventories may be taken on a prearranged schedule. This would allow the physical counts for these inventories to be scheduled around the low point in the inventory stock cycle.

Agencies should notify the Office of the State Auditor (OSA) in advance of all physical inventory counts. This may be done by providing the OSA with an inventory schedule showing the dates and locations for planned physical inventory counts.

COFRS inventory module closing procedures:

Users of the COFRS inventory module (INV) have some unique aspects to their closing schedule. In addition to adhering to GAAP and physical inventory requirements regarding perpetual inventories, users of the INV module in COFRS need to follow these procedures.

1. All inventory documents must be completely closed. This may be accomplished by either processing the documents (ACCP status on SUSF) or by modifying the original documents to zero. This includes all stock requisitions (SR) and their accompanying backorders, confirmation issues (CI), over-the-counter sales (OC), transfers (TI/TR), inventory adjustments (IA), and stock returns (SN). No inventory documents can be outstanding after June 30. Inventory documents for the new fiscal year begin on July 1.
2. Inventory Freeze processes take a minimum of three days to complete, as outlined here:

- Day One – Freeze Select of 1, 2 or 3 applied on the FREZ table. System must run overnight to begin physical inventory freeze process, OR, the users must manually enter every inventory item on the INV6 table.
- Day Two – INV68R1, 2 or 3 printed and used for the physical count of items in inventory and totals then entered on the INV6 table. INV70R, Physical Inventory Discrepancy Report, printed to verify results entered on the INV6 table. FREZ table then changed to remove freeze status and post results of physical inventory to COFRS. System must run overnight to complete the physical inventory freeze process.
- Day Three – Annual Physical Inventory Freeze process complete.

Warehouses anticipating a longer than one day physical count of inventory items should adjust the minimum three day schedule accordingly to add additional counting days as necessary. Inventory users should also take into consideration that the minimum three-day process does not take into account potential system or process malfunction.

If a physical inventory is being conducted for a warehouse at year end, the last possible day to freeze an inventory for year end adjustment is June 25 . If there are questions regarding the details of how to post a physical inventory to the COFRS system or if the inventory discrepancy report needs to be rerun, please call the Production Support Team (COFRS Helpline) at 303-866-6122. If you have questions regarding the details of how or when to conduct a physical inventory, please call your field accounting specialist.

3. COFRS will run the regular nightly cycle process on June 30 . All entries made to the warehouses on this day will post to the general ledger and to the inventory ledger in that nightly cycle. Accounting personnel will be able to obtain the dollar value of the inventory by reading OLGL the next day.
4. On July 1, COFRS will change the fiscal year field on the date table (DATE) for INV module transactions to read the new fiscal year account codes. COFRS will also reset the numbering scheme used for the CI documents on the job control language table (JCLT). If a change in the CI numbering scheme is required, please contact COFRS one week before this date with the changes.
5. At this point, users may change values on the WHSE table. These changes should be made July 1 before any INV transactions have been processed and accepted by COFRS for that particular warehouse for the new fiscal year.
6. The warehouses may then begin to enter and process all inventory transactions for the new fiscal year.

No matter when the physical inventory is taken, a clean cut-off at year end is important. Problems may occur if items have been received and counted with the inventory prior to July 1, but the receiving report is not completed until after July 1. In this case, completion of the receiving report in the new fiscal year will add the value to the inventory in the new year when it was already added in the inventory adjustment in the year being closed. These types of difficulties come up because the inventory system “closes” for the fiscal year on June 30, while the accounting system remains “open” until final close. Pay particular attention to situations when the “three way match” is used in relationship to how the inventory system has recorded closing information.

One way to check to be sure that the cut-off is clean is to compare the value of the inventory at year end in the inventory system to the value of the inventory in the general ledger. The value of the inventory may be obtained from INV40R for June 30; on the last page there is an extended value of the cost of the inventory. Compare this to the inventory accounting in the general ledger at year end. These two balances should be close to the same amount. Large differences should be reviewed for possible adjusting entries.

3.15 Internal Control and Certification of Accounting and Reporting Systems

Certification of financial accounting and reporting systems is required on Exhibit I. Every agency within a department must be represented on an Exhibit I, but separate exhibits for each agency within a department are not required. Only one copy of Exhibit I needs to be submitted and is due on August 18. Be careful not to confuse the Exhibit I requirement with the reporting required under the Financial Responsibility and Accountability Act (CRS 24-17-101 et. seq.). See Chapter 5 Section 6 for the related Statement of Compliance due December 31.

3.16 Year End Fund Balance Sweep Entries for Funds 100 and 461

The fiscal year end sweep entries are generated automatically by COFRS and are processed shortly before period 13 close. The purpose of the sweep is to ensure that agency year end fund balances in funds 100 and 461 equal zero. The amount of the sweep entry for each agency will be the fund balance carried forward from the prior year (if any) plus the difference between revenues and expenditures in these funds. The entry will be a debit or credit to balance sheet account 3400 with the offset to the cash account 1100 and/or 1130. An equal and opposite entry will be made to agency 999 in the same fund. It is the intent of this process to prevent agencies from rolling forward fund balances and 1130 cash balances in funds 100 and 461. These entries will eliminate any negative cash position in the 1100 accounts caused by the absence of cash transfers to support general funded expenditures. Because of the timing of these entries, there is the possibility that transactions processed after the sweep entries will leave residual balances on COFRS that roll into the next fiscal year. Since this process is designed to prevent meaningless balances from accumulating over time at the fund/agency level and is essentially for cosmetic purposes, no adjustment to the sweep entry will be made. These balances will simply be 'swept' in the subsequent year end closing.

3.17 Interfund and Intrafund Transfers

Balancing of intra and interfund transactions is required for financial statement preparation at the statewide level. As in prior years, SCO will produce transfer reports during the closing process to inform agencies as to the balancing of their transfer transactions. The transfer reports are available on INFOPAC in COFRS and in Document Direct at http://docdir.state.co.us/document_direct.

The use of the IT transaction by state agencies has made a marked improvement in the balancing of transfer accounts. However, there are some instances where the use of the IT transaction is not feasible and other instances where agencies are not using the IT transaction. The following information is provided to assist agencies in properly coding their transfer transactions. Communication between and within agencies is key to the consistent treatment of transfers and balancing of all transfer accounts.

The SCO definition of a transfer is any payment from one state agency to another, or one fund to another, or one appropriated line item to another, which does not involve the exchange of money for goods or services, and which are generally of an involuntary nature and mandated by budget, statute, or administrative requirements. When goods or services are exchanged and the value received is commensurate with the value paid, then transfer accounts should not be used.

Transfers are most commonly used to move money from an agency or fund where it was properly earned as revenue to another fund or agency. For example, departmental indirect cost recoveries are often appropriated to fund administrative activities in a department. The revenue should be earned in the receipting agency, and a transfer in should be recorded by the other agency (e.g., central administration) to support its cash funded appropriation.

Subrecipient grant transactions with other state agencies should not be confused with transfers, and transfer accounts should not be used for these transactions. Disbursements to other state agencies for federal or state grants should be coded to object codes 5770 through 5776 with special attention paid to the intra/interfund nature of these object codes. Receipts of federal or state grants as a subrecipient from other state agencies should be coded to revenue source codes 7501-7523, 7530, or 7600-7630. Refer to Chapter 1, Section 3.5 for further information on identifying subrecipient relationships and the related accounting and reporting requirements.

The difference between intrafund and interfund transfers is defined at the statewide financial statement level. If two funds are presented in different columns in the combining statements of the state's CAFR then transactions between them are considered interfund. Conversely, transactions between funds presented in the same column of the combining statements are considered intrafund transactions. Transactions between the expendable and nonexpendable funds within a permanent fund should be recorded as interfund even though they will be presented in a single column in the state's CAFR.

The following table shows how COFRS funds are currently grouped for intra/interfund transactions. Any transactions between funds within each category (cell) below should be coded as intrafund. Any transactions between funds in different categories (cells) below should be coded as interfund transactions. Note: This table can also be used to determine whether a receivable/payable or a federal/state grant to another state agency is considered intra or interfund.

FUND CATEGORY	COFRS FUNDS
General Fund	100, 11L, 11P, 11W, 16W, 600
Special Revenue Funds:	
State Public School Fund	113, 17H
Highway Fund	400, 402 thru 409, 414, 435, 715, 730, 731
State Education Fund	440
Labor Fund	415 thru 417
Gaming Fund	274, 401
Tobacco Litigation Settlement	11X, 13J, 13M, 13V, 14B, 14G, 15J, 430, 434, 765, 865
Water Conservation Const.	424, 480 thru 491
Other Special Revenue Funds	101 thru 112, 114 thru 119, 11A thru 11K, 11M, 11N, 11Q thru 11V, 11Y, 11Z, 120 thru 129, 12A thru 12M, 12P thru 12Z, 130 thru 139, 13A thru 13H, 13K, 13L, 13N thru 13T, 13W thru 13Y, 140 thru 149, 14A, 14C thru 14F, 14H, thru 14Y, 150 thru 159, 15A thru 15H, 15K thru 15Y, 160, 162 thru 169, 16A thru 16V, 16X, 16Y, 170 thru 1709, 170A thru 170G, 17J, 17K, 180 thru 209, 20N, 20P, 210 thru 272, 275 thru 299,
Other Special Revenue Funds (Cont)	

FUND CATEGORY	COFRS FUNDS
	2WW, 419, 420, 426, 427, 431, 432, 441, 442, 443, 519, 700, 702, 704, 713, 714, 716, 717, 718, 721, 722, 724 thru 729, 732, 734 thru 760, 811 thru 822, 824, 825, 826, 828, 829, 860, 907, 945, 946
Debt Service	450
Capital Construction	12N, 273, 461, 462, 463
Permanent Funds:	
State Lands Trust Nonexpendable	851 thru 859
State Lands Trust Expendable	705 thru 712, 733
Other Permanent Trusts NonExpndble	161, 723, 850, 861, 862,
Other Permanent Trusts Expendable	761 thru 764, 770
Enterprise Funds:	
Higher Education	3XX
Unemployment Insurance	701
Co. Student Obligation Bond Auth.	512, 513, 514,
Lottery Fund	503
Wildlife Fund	410 thru 413, 418, 421, 422, 423, 428, 433
Guaranteed Student Loan Fund	501, 502, 511, 524, 526
State Fair Authority	510
State Nursing Homes	505
Correctional Industries	507
Prison Canteens	506
Other Enterprise	504, 508, 509, 516 thru 518, 520, 521, 522, 525, 534, 535
Internal Service Funds:	
Central Services	601, 607
General Government Computer Center	602
Telecommunications	603
Capitol Complex	610
Transportation Int. Serv.	606
Public Safety Internal Service	612
Administrative Hearings	611
Debt Collection	604, 609
Agency Funds:	
Revenue Agency Funds	905, 914, 916 thru 928, 939, 940, 942, 944, 949
Treasury Agency Funds	929 thru 938, 941, 943
Other Agency Funds	900 thru 903, 906, 908 thru 911, 915, 947, 948
Pension and Employee Benefit Trust Funds:	
Deferred Compensation Plan	720, 912
Defined Contribution Plan	890
Group Benefits Plan	719, 913, 91E, 91S
Investment Trust Funds	876

FUND CATEGORY	COFRS FUNDS
Private Purpose Trust Funds:	
Treasurer's Private Purpose Trusts	703, 801, 803, 804, 823, 827,
College Savings Plan	515, 545
Other Private Purpose Trusts	802, 810, 830, 831
General Full Accrual Account Group	471
Treasury Invest. Offset	995
Local Government	990, 991

Note to the Fund Category Table: Fund 995, Treasury Investment Offset, and funds 990 and 991, Local Government, are not included in the statewide financial statements. Therefore, these funds are for memo entries only. Actual revenue, expense and balance sheet entries must be made in other funds to be included in the statewide financial statements. Memo entries normally made into funds 990, 991, or 995 should not be made in any other funds because the entries would then be included in the statewide financial statements.

Appropriations in the Long Bill are often based on an agency's receipt of funds from another agency or fund; these requirements to earn revenue are called annotations. The staff of the Joint Budget Committee expects to be informed of whether agencies earn revenue from the sources specified in the Long Bill. The State Controller's Office developed and implemented transfer codes to support reporting on Long Bill annotations. The coding is based on alpha characters to allow for the many codes required by annotation reporting. Note the following about the coding system:

- ♦ Intrafund versus interfund is shown in the first character of the code – A for intrafund and E for interfund.
- ♦ Transfer types are shown in the second letter of the code and are set up in pairs – nonexempt is the first letter of the pair and exempt is the second letter. For example A signifies a cash operating transfer and a B signifies a cash exempt operating transfer.
- ♦ The third character is always the other department involved in the transfer signifying the department that money was received from or transferred to. When the transfer is internal to a department both the object and the revenue source code will use the exact same code. When a transfer is between departments, the code will be the same except for the third character.
- ♦ The fourth character has no particular significance but is used to make the code unique for the annotation reporting process.

The following table displays the coding scheme and lists the transfer types (second character):

First Character Intra or Interfund	Second Character Transfer Type	Third Character <i><u>OTHER</u></i> Department	Fourth Character Unique Transfer (Acct Name)
A (Intrafund)	A (Operating Trans. NonExempt)	A (Personnel)	A-(OT NE DPA INTERNAL) 31 & 22
			B-(OT NE DPA FM DEFFRD COMP.) 31
			B-(OT NE DEFFRD COMP. TO DPA) 22
			C ... etc.
		B (Agriculture)	Similar to above
		C (Corrections)...	Similar to above
	B (Operating Transfer Exempt)	A (Personnel)	A-(OT EX DPA INTERNAL)31 & 22
			C-(OT EX DOL FM RISK MGMT) 31
			C-(OT EX RISK MGMT TO DOL) 22
	D(Cash to General Fund – Shortfall)	Repeat above	Similar to above
	K (Student Fin. Aid NonEx)	Repeat above	Similar to above
	L (Student Fin. Aid Ex)	Repeat above	Similar to above
	M (HUTF Transfers NonEx)	Repeat above	Similar to above
	N (HUTF Transfers Ex)	Repeat above	Similar to above
	P (State Support NonEx)	Repeat above	Similar to above
	Q (State Support Ex)	Repeat above	Similar to above
	R (CMTF NonEx)	Repeat above	Similar to above
	S (CMTF Ex)	Repeat above	Similar to above
	T (Res. Equity Xfr NonEx)	Repeat above	Similar to above
	U (Res. Equity Xfr Ex)	Repeat above	Similar to above
	Y (Indirect Cost NonExempt)	Repeat above	Similar to above
	Z (Indirect Cost Exempt)	Repeat above	Similar to above
E (Interfund)	A(Operating Trans. NonExempt)	Repeat above	Similar to above
	B (Operating Transfer Exempt)...	Repeat above	Similar to above
	Z (Indirect Cost Exempt)	A (Personnel)	A-(IC EX DPA INTERNAL) 31 & 22
		B (Agriculture)	Similar to above

Please refer to the current COFRS chart of accounts to identify the proper object and revenue source codes for individual transfer transactions. Note that residual equity transfers are no longer reported in the state's CAFR; however, the transfer codes related to the residual equity transfer concept have not been deleted or changed. The codes were maintained to support existing coding by agencies, and the related balances will be presented with other interfund operating transfers.

3.18 Clearing Abnormal Balances and Clearing Accounts

Agencies should clear abnormal account balances and any balances in clearing accounts prior to period 12 close on July 16 . Abnormal account balances are identified on the COFRS report GNL05R and on the SCO abnormal balance diagnostic report. Examples of clearing accounts are the Undistributed Charges codes 1583-1599 and Undistributed Receipts codes 2510 and 2520. This requirement in no way reduces the agency's responsibility to identify the proper distribution of amounts recorded in clearing accounts or accounts with abnormal balances.

3.19 Use of Account Type Codes 23 and 24

A careful review of COFRS general ledger reports such as GNL20R should be done to determine if these account types were used properly. Account type 23 is used when a payment is budgeted but the amount should be capitalized rather than impacting the operating statement. This account type is inferred when both the balance sheet code and appropriation code fields are filled on a PV. The result is that the debit appears on budgetary reports and tables as an expenditure, but the balance closes at year end to the balance sheet account rather than an operating statement account. Account type 23 and account type 01 balances will be shown together on the GNL20R. Account type 24 codes result from JV transactions where an expense/expenditure needs to be recorded for the operating statement but the item is not budgeted. Examples of appropriate use of this code are depreciation expense in proprietary fund types, bad debt expense if appropriate (see Chapter 3 Section 3.5), and deferral of payroll and/or Medicaid expenditures related to the budgetary basis of accounting.

Higher education institutions should not use these account types. In the case where an expense/expenditure needs to be recorded but the item is not budgeted, such as compensated absences and depreciation, the activity should be recorded in a nonappropriated/exempt higher education fund.

The following table summarizes the use and impact of account types 23 and 24.

ATTRIBUTE	ACCOUNT TYPE	
	TYPE 23	TYPE 24
Impacts Operating Statement	No	Yes
Obligates a Budget	Yes	No
Closes to Balance Sheet	Yes	No
Potential Applications	Proprietary fund type budgeted capital purchases	Depreciation
	Budgeted loan disbursements	Bad debt expense
		Payroll and Medicaid Deferral/Reversal

3.20 COFRS Extracts

If you receive monthly COFRS extracts, a procedure has been developed for you to request weekly extracts during the closing period (from June 30 through July 30). Use the following form to request that COFRS run normal monthly extracts on a weekly basis starting the week after period 11 close and continuing through period 13 close. The exception to this will be the weekends when FY03-04 periods close (on those weekends only, normal monthly extracts for FY03-04 will be run). This form is to request changes to existing extracts only and is not for new extracts. This form must be submitted to COFRS by May 21 . COFRS will review the request to determine if it is feasible, and will have a response to you by June 14 . If you do have this request approved, be sure to notify your data processing staff so that adequate space will be allocated for COFRS to write the extract data. Also, you will need to ensure that data you need is not overwritten.

TO: Production Support Team, TMU
1525 Sherman St., Suite 150
Denver, CO 80203
Phone: 303-866-6122 Fax: 303-866-6313

FROM: Name _____
Department _____
Address _____
Phone _____

DATE: _____

Please modify the monthly extract specified below to create a weekly extract during the year end closing time frame:

EDP Liaison and Phone Number:
Department Controller Authorization:

(Requesting agency completes the top portion of the form.)

(COFRS completes the bottom portion of the form.)

TO: _____

FROM: Production Support Team, TMU

DATE: _____

We have reviewed your request for your monthly extract _____ to be run on a weekly basis during year end close. We () can () cannot honor this request. Reason request is denied, if any:

3.21 State Controller's Office Diagnostic Reports and INFOPAC

SCO produces diagnostic reports to assist you in ensuring that the year end balances in your accounts and supplementary information is materially correct. For these reports to be useful, agencies must receive them timely. These diagnostic reports are available on the INFOPAC system in COFRS and on Document Direct at http://docdir.state.co.us/document_direct/.

The INFOPAC system provides both online viewing and paper report distribution. The diagnostic reports are exception reports and use a small volume of paper; therefore, all agencies will receive a printed copy of each SCO diagnostic report placed on INFOPAC. This paper report distribution will be done by GGCC along with the normal COFRS report distribution. If your COFRS reports are currently printed at your location, then your SCO diagnostic reports will also be printed at your location. In addition, if you have a printer connected to GGCC, you may print selected pages from any INFOPAC report during online viewing. Contact the Production Support Team (COFRS help-line staff) at 303-866-6122 if you have problems with access to INFOPAC or Document Direct or getting your reports printed.

On the days the diagnostics are run, the reports will be available for viewing by 11:00 a.m. on the morning following the COFRS nightly processing. If the reports are posted earlier than 11:00 a.m. you will be able to tell by looking at the version date on INFOPAC.

The following table is a listing of the diagnostic reports available on INFOPAC.

Report ID	Report Title	Agency Level
DOACOEX1	Budget-to-actual by Long Bill Group and Funding Source Code	Department
DOACOEX2	Budget-to-actual by Long Bill Group and Funding Source Code	Agency Class
DOACOEX3	Budget-to-actual by Long Bill Group and Funding Source Code	Agency
DOACOEL1	Budget-to-actual by Department, Long Bill Line Item (Overexpended lines only)	Department
DOACANN1	Budget-to-actual Annotations Report by Long Bill Group and Funding Source Code	Department
DOACANN2	Budget-to-actual Annotations Report by Long Bill Group and Funding Source Code	Agency
DOACCCM1	Capital Construction Expenditures Compared to Budget	Agency Class
DOACABN1	Abnormal Balances	Agency
DOACUCH1	Unchanged Balances	Agency
DOACXFR1	Transfer Balances	Department
DOACMAN1	Mandatory and Non-Mandatory Transfers	Agency Class (H.E. only)

Report ID	Report Title	Agency Level
DOACMNO1	Mandatory and Non-Mandatory Transfers Outside the System	Department (H.E. only)
DOACGFA1	Matching Object Codes Between Governmental Funds and GFAAG (471)	Department
DOACCPE1	Capital Project Expenditures Compared to Plant Fund Transfers	Agency (H.E. only)
NOTE: Diagnostic reports will be available on the Monday before fiscal close and on the Monday following fiscal close for all accounting periods. They will also be available for quarter close months (March, September, and December) on the day following calendar close. At year end, reports will be available on July 1, 6, 12 and daily (business days) from July 19 through August 2. All reports include transactions balances as of the close of business on the previous business day.		

The budget-to-actual (by funding source code) report cited in the table above is produced at three levels (agency, agency class, and department) to accommodate the varying methods of allocating budgets. If your department has only one agency indicator, your budget-to-actual report will only appear at the departmental level.

In addition to the reports cited above, the SCO will distribute the following report after Period 12 close.

Unrealized Gains/Losses Report - This report provides agencies with information related to the gain or loss on the cash invested for state agencies by the State Treasurer. The report is only distributed to those agencies that prepare separately issued financial statements or request the information. The content of the report is also limited to those agencies that receive interest on the cash they deposit with the treasurer. The balances in the report are based on Period 12 cash balances; it will be distributed in paper format by **July 21**.

After the final close, the SCO will distribute the following three reports in paper format:

1. Variance Analysis - This report identifies material year-to-year differences in line items by major fund on the statewide financial statements and reports agencies that contributed materially to those differences. The report, distributed in paper format, compares the period 13 balance with the prior year balance in the related account. SCO will distribute these reports by August 4. Agencies are required to review these reports and submit their explanation of the identified variances by August 18. Timely responses are essential to the preparation of the state's financial statements. In addition, the variance analysis addresses an audit requirement at both the agency level and the statewide level. Your responses to this report should satisfy part of your auditor's request for an explanation of year-to-year changes in ending account balances. Your responses will be used to explain year-to-year variances in the comparative financial statements required in the Management Discussion and Analysis.

2. Exhibit Reconciling Balances - This report provides agencies and institutions with COFRS balances required to be reconciled to exhibits. The reconciling balances for Exhibits C, D1, D2, E, F1, M, N, R, W1, and W2 are included. The amounts are based on final closing data and will be distributed in paper format as soon as possible after final close. The report shows prior and current year balances for Exhibits C, W1, and W2. Note that the amounts reported for Exhibit C show more line item detail than was reported in the prior fiscal year in order to reflect changes to the FY03-04 Exhibit C. Agencies and institutions should proceed with preparing their exhibits and should use this report as a check to ensure that all COFRS balances have been included.
3. Exhibit J Data Report – This report provides agencies in higher education institutions with a COFRS trial balance for their agency aggregated into state CAFR financial statement line items. The report will be prepared by the Reporting and Analysis Section and distributed by the field accounting specialists in electronic spreadsheet format. Agencies outside of higher education that prepare proprietary fund financial statements may also request this report. This report is also available each time the diagnostic reports are produced.

3.22 Changes to the COFRS Chart of Accounts

The chart of accounts, included as Appendix 2, should be used both for the FY03-04 closing and for coding transactions in FY04-05. An updated chart of accounts is available on the Financial Date Warehouse. Proposed changes to the chart or related tables should be submitted to David McDermott, SCO Reporting and Analysis Section at 303-866-2739 or david.mcdermott@state.co.us.

3.23 Reissuing Expired Warrants and Clearing the Expired Warrants Liability Account

CRS 24-30-202(9)(a) requires that the State Controller expire outstanding stale dated warrants annually and credit the general fund or if practicable the fund originally charged with the expense. Pursuant to CRS 38-13-112 all monies for these expiring warrants, less federal amounts be delivered to the Unclaimed Property administrator. Effective August, 1, 2003, Senate Bill SB03-062 mandated that outstanding warrants written on all funds are now subject to the unclaimed property law and revert to the Unclaimed Property Fund upon expiration. Previously only outstanding warrants written on Fund 100 reverted to Unclaimed Property upon expiration.

All stale dated and outstanding warrants issued prior to July 1, 2003, that have not been canceled or reissued by June 26 will be expired. The moneys for these expiring warrants will be split between the original fund portion and the federal portion. An automated COFRS JA transaction will transfer the amount of the expiring warrant, less the federal portion, to Unclaimed Property and transfer the federal amount back to the agency.

On May 29 the Expired Warrants Table (EXPW) and the Expired Warrants Table by Agency (EXP2) within COFRS will be uploaded with detailed information about warrants scheduled for expiration. The warrant number and warrant date are displayed as well as payment voucher line detail. Agency, fund, appropriation code, grant budget line code, grant number and federal %, and amount are included for each line.

After the upload has occurred on May 29, agencies are required to review the EXPW or EXP2 table for all warrants. If any portion of the soon-to-be-expired warrant was paid from federal funds, the federally funded amount must be entered in the federal amount field on the EXPW or EXP2 table prior to June 26, the date the expired warrant purge process takes place. The COFRS security group required to enable agencies to make changes to these table is EAPD.

When the warrants expire on June 26 the identified federal amount of these warrants will be posted to balance sheet account 2751-CANCELED WARRANTS PRIOR YEAR. Agencies may reissue expired warrants from balance sheet account 2751 in accordance with procedures in Chapter 6, Section 1 until July 15

Each agency is responsible for clearing balance sheet 2751 by the close of period 12 on July 16. The amount of the federal funds transferred back to the agencies should be credited to the federal grant. Balances in funds 100 (general fund) and 461 (capital construction) should be posted to appropriation code 999, account type 31 and revenue source code 8304 (reversion of expired warrants). Balances in funds other than 100 and 461 may be credited to any appropriate appropriation code as an account type 31 using revenue source code 8304. Any other accounting treatment of this account should be discussed with your field accounting specialist.

3.24 Cancellation of Warrants Issued in FY03-04 and Canceled in FY04-05

All FY03-04 warrants received by the Central Accounting and Operations Section of the State Controller's Office after June 25 will be canceled in FY04-05. When the canceled warrant was originally issued, agencies may have debited accounting codes in FY03-04 that are no longer valid on COFRS for FY04-05. In order for the State Controller's Office to cancel these warrants and record the proper accounting entries required, agencies must identify the FY04-05 accounting codes to be used to restore these funds to the agency.

3.25 Capital Lease Accounting in Governmental Funds

Governmental accounting standards require special treatment of governmental fund capital leases (GASB Codification Section L20.114-5, and FASB 13). The objective of the requirements is to show on the operating statement the source and use of funds related to the financing arrangement that resulted in the entity recording a capital asset and related liability.

In the inception year of the lease, agencies should debit the appropriate object codes in the 63XX or 64XX series (Capital Property Lease Purchase) for the total value of the lease-purchased asset using account type 24. The use of account type 24 allows financial reporting of the transaction but avoids budgetary impact. The agencies should credit revenue source code 7200 (Future Capital Lease Payments) for an amount equal to the amount recorded in account type 24. Revenue source code 7200 will be blocked from the SCO budgetary diagnostic reports. In the budget-to-actual financial statements, augmenting revenue will not be recognized for this non-budgeted transaction. However, revenue source code 7200 does show as earned cash exempt revenue on COFRS. Agencies should be careful when using COFRS tables or reports if they have earned revenue in source code 7200 in the same funding source code as other earned cash exempt revenue. The capital asset and related lease liability should be recorded in the General Full Accrual Account Group (GFAAG – Fund 471) in the same amount as was recorded in the account type 24. This entry is part of the conversion to full accrual described below. If current or subsequent year lease payments are budgeted, record them as type 22 expenditures in account 6810 (capital lease principal) and 6820 (capital lease interest).

Lease payments are normally recognized as expenditures in the year in which they are due. However, if debt service resources have been provided (that is, budgeted from general purpose revenues or recognized augmenting revenue) during the current year for payment of principal and interest due early in the following year, the expenditure and related liability may be recognized in the fund and the principal amount removed from the General Full Accrual Account Group (GFAAG – Fund 471).

The accounting for leases recorded in governmental funds must be converted to the full accrual basis of accounting. Journal entries to convert to full accrual are done in the General Full Accrual

Account Group (GFAAG – Fund 471). The State Controller's Office prefers (but does not require) that the conversion entries be made at the same time the lease accounting entries are made in the governmental fund. The capitalizable property purchase expenditure and other financing source recorded in the governmental fund at inception of the lease must be eliminated. In addition, the governmental fund expenditure related to lease principal payments must be converted to a reduction of lease liability. See Chapter 9 Section 2.5.2 for the journal entries demonstrating the conversion to full accrual for governmental fund lease accounting.

3.26 Closing a Fund

If an agency needs to close a fund that has net assets, the fund should be closed using the object and revenue source codes for residual equity transfers rather than operating transfers. Under GASB 34 residual equity transfers are no longer separately identified in the financial statements. However, the existing residual equity transfer codes have been preserved to allow agencies that routinely use these codes to continue that coding. The residual equity transfer codes will be presented as part of the other interfund transfer balances.

The entry in the fund to be closed will be a debit to object code EUXA. The credit will be to the asset, probably cash. Liabilities of the fund should be liquidated with assets of the fund or closed to the other fund. In the destination fund the entry will be a debit to the asset, probably cash, with the credit to revenue source code EUXA. Under the alpha transfer coding format, both the transfer-out and transfer-in would be coded to EUXA (where the X is replaced by the department indicator letter of the departments involved in the transaction). Before the entries are made, it is important to be sure that all of the appropriate coding structure has been established in both of the funds. If you have questions about this process or have a deficit fund balance in a fund that you are closing, please contact your field accounting specialist or Reporting and Analysis in the SCO.

3.27 Pay Date Shift

SB 03-197 changed the pay date for salaries earned in the month of June from the last working day in June to the first working day in July. This applies to salaries paid to all state employees regardless of funding source. It also includes the second bi-weekly payroll for June, the pay period ending June 11, 2004, which would normally be paid on June 25th. This pay period will be paid on July 1st.

The legislation also changed the calculation of the general fund surplus to record salary expenditures against general fund revenues upon payment of expenditures in July. This means salary expenditures related to the June payroll will be recorded against the FY05 budget for **general funded** salary expenditures **only**. The legislation does not apply to salary expenditures funded by cash or federal sources accounted for in the general fund (fund 100).

Financial statements for the state must be prepared according to generally accepted accounting principles (GAAP). Therefore, the salary expenditures must be expended for financial statement reporting in FY04, but will be expended for budgetary reporting in FY05. The table below summarizes the effect of June salary expenses for financial statement and budget purposes.

Work Period	Normal Pay Date	Revised Pay Date	GAAP	Budget
May 15-May 28	June 11	June 11	Posts to FY04	Leave in FY04
May 29-June 11	June 25	July 1	Posts to FY04	Move to FY05
June 12-June 25	July 9	July 9	Posts to FY04	Move to FY05
June 26-June 30	July 23	July 23	Accrue in FY04 if Material	Leave in FY05
June 1-June 30	June 30	July 1	Posts in FY04	Move to FY05

In order to accommodate the payroll disbursement on July 1, 2004, agencies using CPPS will record June payroll expenditures using the following process:

- June payroll batches for bi-weekly and monthly payroll will post to COFRS as normal, including cash being transferred from each fund/agency combination to fund 100, agency 999 to pay the payroll. All PB batches must be processed by July 14, 2004.
- Departments that redistribute payroll by using LDC or other in-house allocation programs should distribute the affected payroll in the same manner as they do the rest of the fiscal year. All distribution entries to redistribute payroll expenditures from the original payroll batch posting must be completed by July 14, 2004. (**July 14 Last day to process PB and AJ documents. All reallocation entries for June payroll expenditures must be completed by this date.**)
- COFRS, using an analysis of payroll expenditures recorded as of July 14, 2004, will generate and post a JV entry to allocate the payroll liability and related cash amounts in fund 100, agency 999 back to the proper fund/agency combinations. This will record the proper liability amount in the applicable fund. The entry will be automatically reversed in FY05 to record the disbursement of pay on July 1st.
- Higher education institutions using CPPS, the Community College system and AHEC, and the Department of Transportation must process a JA document to allocate the payroll liability and related cash amounts back to the proper fund/agency combinations, because detail information related to their payroll expenditure codes is not recorded on COFRS.
- Payroll expenditure codes used to determine the liability entry include all state personnel system (SPS) and contractual salary and benefit codes, with the exception of leave payout or leave conversion pay codes (1140, 1141, 1142, 1240, 1241, 1242). Other excluded codes include, client wages codes (1256, 1260, 1280), all other employee benefit codes, (13XX), higher ed tuition reimbursements (1531, 1631), unemployment compensation and workers compensation codes (1532, 1533, 1632, 1633, 1640), compensated absence codes (18XX), and all purchased services codes, (19XX).
- Given the process COFRS will use to allocate the June payroll liability and related cash, entries made to payroll expenditure codes recorded in period 12 should only relate to June payroll expense. Any correcting entries for year-to-date payroll-related expenditures through May, 2004, should be processed in period 11 or period 13.

For budgetary purposes, agencies are required to generate an adjusting journal voucher (JV) document to change the payroll expenditures for the general funded portion of the affected payrolls by crediting type 22 expenditures and debiting type 24 expenditures. The fund, agency, appropriation code, and object code must be included in this entry. Organization codes may be used if expense budgets are maintained, but are not required. For appropriation codes requiring a grant budget line (GBL), a dummy code should be established to keep the grant reporting clean. Federal draws should be completed as normal for June payroll expenditures.

- A budgetary adjusting entry based on estimated June payroll may be processed prior to the payroll posting in June, but must be adjusted to actual amounts by agency close, July 28, 2004.
- The budgetary adjusting JV must be reversed in FY05, exactly as processed. Use of the reversal feature in the JV document should be used to avoid re-keying of the entry. The Long Bill line item needed to reverse the entry will be re-established in FY05 even if it is not included in the agency's FY05 Long Bill. This is necessary for the correct reversal of the JV entry. After the reversal entry has been recorded, and reconciled by the SCO, agencies may move the payroll expenditures (type 22), as necessitated by FY05 budget constraints. Do not move the type 24 expenditures. We will notify agencies when the reconciliation process is complete.
- For employees terminating service or retiring from state service effective June 30, 2004, GAAP requires payments due and payable on the effective date of termination to be accrued. These types of expenditures should not be expended in July, even if processed through the payroll system in July.

Agencies not using CPPS:

- Payroll related to June should not be disbursed until July 1, 2004.
- A liability for accrued payroll payable should be recorded as of June 30, 2004, and cleared on July 1.

Budgetary reports will not include type 24 entries, nor will type 24 expenses show on COFRS tables such as APPI. GNL reports will show type 24 expenditures, but are summarized separately from the type 22 expenditures.



CHAPTER 3: SECTION 4

FINANCIAL STATEMENTS

KEY DATES

August 18	Agency financial statements (along with Exhibit J if required) and most other exhibits due to State Controller's Office.
September 24	Management Discussion and Analysis Due to the State Controller's Office .

Financial statement requirements are different for higher education institutions than for non-higher education agencies. Also, requirements vary among non-higher education agencies. Following is a discussion of the financial statement requirements.

4.1 Higher Education Financial Statements

Financial statements required of higher education governing boards and/or institutions are discussed in Higher Education Accounting Standard No. 17. One copy of these statements and related footnotes are to be sent to the State Controller's Office by August 18 along with Exhibit J (See Section 5.14). The Management Discussion and Analysis that is part of the Basic Financial Statements should be sent to the State Controllers Office by September 24 . Exhibit J should reconcile the COFRS period 13 closing trial balance per GNL02R and GNL04R to the board or institution's financial statements. The State Controller's Office prepares an electronic report, distributed via e-mail, that provides the institution's trial balance segregated into the state CAFR line items.

4.2 Non-Higher Education Agencies Financial Statements

COFRS generated financial statements, MCR01R - Comparative Balance Sheet and MCR02R - Statement of Revenue and Expense, meet the fiscal rule requirement for financial statement preparation for non-higher education agencies except for the following agencies that need to prepare statements with full GAAP disclosures including Management Discussion and Analysis:

State Fair Authority
 Gaming Division of the Department of Revenue
 Lottery Division of the Department of Revenue
 Colorado Student Loan Program
 Colorado Student Obligation Bond Authority
 Deferred Compensation Plan

For the agencies listed above, one copy of these statements and related footnotes are to be sent to the State Controller's Office by August 18 along with Exhibit J (see Section 5.14). Exhibit J shows the reconciliation of the COFRS period 13 closing (July 30) balances to the agency's financial statement line items. The Management Discussion and Analysis that is part of the Basic Financial Statements should be sent to the State Controller's Office by September 24

Agencies not on the list above may prepare full GAAP disclosure statements and/or additional supplementary information if they believe that information would be beneficial to management. These agencies are not required to submit an Exhibit J. However, all agencies are required to certify on Exhibit I that they have reviewed COFRS MCR01 and MCR02 reports and the reports are materially correct (see Exhibit I in Chapter 3 Section 5.13). MCR01R and MCR02R reports will be produced weekly by COFRS through period 13.

4.3 Suggested PERA Pension Footnote Language

The following language is suggested for inclusion in the notes of any June 30 financial statements published for agencies or institutions of the State of Colorado. Due to the complex funding mechanism associated with the Matchmaker Program, you will not be able to determine the exact percentage allocation of the state contribution to two of the three plans described. The amount contributed to the health care fund can be calculated as 10.84% (1.1/10.15) of the total contribution from July 1, 2003, thru June 30, 2004.

NOTE X. PENSION PLANS

A. PLAN DESCRIPTION

Virtually all of the department/institution's employees participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require legislation by the General Assembly. The state plan and other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at 1300 Logan Street, Denver, Colorado 80203, by calling PERA at 303-832-9550 or 1-800-729-PERA (7372), or by visiting www.copera.org.

Plan members vest after five years of service and most are eligible for retirement benefits at age 50 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. Members are also eligible for retirement benefits without a reduction for early retirement if they are at least 55 and have a minimum of 5 years of service credit, and their age plus years of service equals 80 or more. State troopers and judges comprise a small percentage of plan members but have higher contribution rates and state troopers are eligible for retirement benefits at different ages and years of service. Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit.

Members disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their spouse or their eligible children under the age of 18 (23 if a full time student) are entitled to monthly benefit payments. If there is no eligible spouse, financially dependent parents will receive a survivor's benefit.

B. FUNDING POLICY

Most employees contribute 8.0 percent (10.0 percent for state troopers) of their gross covered wages to an individual account in the plan. During FY03-04, the state contributed 10.15 percent (12.85 percent for state troopers and 12.66 percent for the Judicial Branch) of the employee's gross covered wages. Effective January 1, 2003, 1.1 percent of the total contribution was allocated to the Health Care Trust Fund. Throughout the fiscal year, the amount needed to meet the match requirement established by the PERA Board was allocated to the Matchmaker program (See Note XX below.) The balance remaining after allocations to the Matchmaker program and the Health Care Trust Fund was allocated to the defined benefit plan.

The annual gross covered wages subject to PERA is the gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of

the Internal Revenue Code. The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly.

The department/institution's contributions to the three programs described above for the fiscal years ending June 30, 2004, 2003, and 2002 were \$x,xxx, \$x,xxx, and \$x,xxx, respectively. These contributions met the contribution requirement for each year.

NOTE XX. VOLUNTARY TAX-DEFERRED RETIREMENT PLANS

Beginning on January 1, 2001, the Matchmaker Program established a state match for PERA member's voluntary contributions to tax-deferred retirement plans. For calendar years 2001 and 2002, the match was 100 percent of up to 3 percent of the employee's gross covered wages paid during the month (7 percent for judges in the Judicial Branch). For calendar year 2003, the match was 100 percent of up to 2 percent of employee's gross covered wages paid during the month (6 percent for judges in the Judicial Branch). For calendar year 2004, the match was 100 percent of up to 1 percent of employee's gross covered wages paid during the month (5 percent for judges in the Judicial Branch). The PERA Board sets the level of the match annually based on the actuarial funding of the defined benefit pension plan. Two percent of gross salary plus fifty percent of any reduction in the overall contribution rate due to overfunding of the pension plan was available for the match. While the plan was not overfunded in the current year, the maximum one-year change in the match rate is statutorily limited to one percent, and therefore, the match changed from 2 percent to 1 percent. PERA offers a voluntary 401k plan entirely separate from the defined benefit pension plan. The state offers a 457 deferred compensation plan and certain agencies and institutions of the state offer a 403b plan. Members who contribute to any of these plans also receive the state match.

NOTE XXX. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Health Care Program

PERACare (formerly known as the PERA Health Care Program) began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During FY03-04, the premium subsidy was \$115.00 for those with 20 years of service credit (\$230.00 for members under age 65 and not eligible for Medicare), and it was reduced by 5 percent for each year of service fewer than 20.

The Health Care Trust Fund is maintained by an employer's contribution as discussed above in Note X B.

Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured medical and prescription benefit plans, and with several health maintenance organizations providing services within Colorado. As of December 31, 2002, there were 35,418 enrollees in the plan.

Life Insurance Program

PERA provides its members access to two group life insurance plans offered by Prudential Insurance Company and Anthem Life (formerly known as Rocky Mountain Life Insurance Company). Members may join one or both plans, and they may continue coverage into retirement. Premiums are collected monthly by payroll deduction or other means.

Other Programs

(Refer to GASB Statement No. 12 for disclosure requirements for other postretirement health care and life insurance benefit plans.)

4.4 Financial Statement Line Item Account Groupings

Selected agencies and all higher education institutions are required to prepare financial statements and Exhibit J as specified in Chapter 3, Section 4.1 and 4.2. The instructions for Exhibit J in Section 5.14 refer to tables that list balance sheet accounts and operating statement accounts that comprise line items on the statewide financial statements. The tables on the following pages provide that information for the following basic financial statements:

- ♦ STATEMENT OF NET ASSETS (Government-wide)
- ♦ BALANCE SHEET – GOVERNMENTAL FUNDS
- ♦ STATEMENT OF NET ASSETS – PROPRIETARY AND FIDUCIARY FUNDS
- ♦ STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
- ♦ STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS – PROPRIETARY FUNDS
- ♦ STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
- ♦ STATEMENT OF CHANGES IN NET ASSETS – FIDUCIARY FUNDS

Agencies that prepare stand-alone financial statements should use the format and account groupings shown in the following tables. Higher education institutions may present additional detail in their financial statements; generally, that detail should be subsets of individual lines in the following tables. In addition, higher education institutions may present operating expenses in the functional rather than natural object classifications.

As noted in the instructions, Exhibit J should be compiled so that all COFRS trial balance accounts that accumulate to a financial statement line item are grouped together and subtotaled at the financial statement line item level. Throughout the year and at year end the State Controller's Office provides an electronic report (a spreadsheet distributed by e-mail) that lists agency accounts aggregated into financial statement line items. Adjusting, reclassifying, and presentation entries affecting a financial statement line item should also be subtotaled at the line item level.

As shown in the following tables, account 1348 - UNBILLED RECEIVABLES and account 1349 - ALLOWANCE FOR UNBILLED RECEIVABLES roll up into the "Student and Other Receivables" line on the statements. These accounts have been used primarily for management reasons (e.g., complying with an agreement not to bill an earned receivable). However, if management uses these accounts, please be aware that the State Controller's Office may require you to submit a post closing entry. That entry would reclassify the unbilled receivables and the

related allowance account so that the nature of the underlying receivable can be properly shown on the state's financial statements.

The cash flow statement prepared under the direct method format is unique in that it requires assigning both balance sheet and operating statement accounts to line items. Some cash flows are unrelated to operating statement activities including:

- ♦ Purchase and sale/maturity of investments,
- ♦ Acquisition or disposal (at book value) of a fixed asset,
- ♦ Debt issuance and payments on principal,
- ♦ Leases entered and lease principal payments,
- ♦ Receipts and disbursements of deposits held in custody or similar agency type activity.

Balance sheet accounts reported as cash on the financial statements (10XX, 11XX, 2000, and 2712) are excluded from the cash flow statement table below because they are the cash target that the cash flow statement attempts to identify by reporting the operating statement account balances as adjusted for balance sheet accounts. Compensated absences operating statement accounts and balance sheet accounts should net to zero, if they do not the State Controller's Office reports the difference as a payment to or for employees. Accounts such as depreciation are included in the table even though they do not result in cash flows. This is done to ensure that the effect on the balance (e.g. fixed assets) where the change in cash is being measured is accurately represented. The depreciation recorded should offset the change in accumulated depreciation resulting in no cash flow reported.

If your agency records transactions in a proprietary fund, you may need to submit Exhibit Q (see Chapter 3, Section 5.22). Higher education institutions are not required to submit Exhibit Q because they are required to disclose noncash transactions on the cash flow statement exhibit (Exhibit V see Chapter 3, Section 5.27).

Preparation of the direct method format cash flow statement is adversely affected by accounting shortcuts often used by state agencies. Therefore, agencies should observe the following requirements when entering proprietary fund type transactions. These requirements do not apply to higher education, which is reporting as a special purpose government engaged solely in business type activities.

- ♦ Agency fund type accounting should not be done in proprietary funds. If you are holding and disbursing cash for another entity or fund (and therefore making no entries to operating statement accounts), the activity should be accounted for in an agency fund.
- ♦ Journal voucher type transactions should not be done on documents involving cash, such as PVs, CRs, etc.
- ♦ When holding cash or disbursements on the balance sheet, for instance in deferred revenue or undistributed charges or receipts, the transaction that eventually distributes the receipt/disbursement should include an impact on cash. This will result in an equal debit and credit to cash with zero net impact on cash, but it will allow the State Controller's Office to identify the operating statement account impacted by the deferred cash accounting distribution.

STATEMENT OF NET ASSETS – GOVERNMENT WIDE (Excludes Fiduciary Funds)	
Financial Statement Line Item	Accounts Included
ASSETS:	
CURRENT ASSETS:	
Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11XX, 200X, 2712
Investments	12XX
Taxes Receivable, net	1310 thru 1327
Other Receivables, net	1300, 1330 thru 1344, 1346 thru 1349, 1360 thru 1363, 1366 or 1367
Due From Other Governments	135X
Internal Balances	137X, 1390 thru 1394, 1396 thru 1399, 172X, 1730, 236X, 239X, 294X, 295X
Due From Component Units	1395
Inventories	14XX
Prepays, Advances, and Deferred Charges	1500 thru 1537, 1583 thru 159B, PRLN, or LDCR
NONCURRENT ASSETS:	
Restricted Cash and Pooled Cash	1034, and Cash and Pooled Cash of Restricted Funds
Restricted Investments	1634, and Investments of Restricted Funds
Restricted Receivables	1345, and External Receivables of Restricted Funds
Investments	1600 thru 1633, 1635 thru 1699
Other Long-Term Assets	1580, 170X, 1710 thru 1719, 1731 thru 1799, 190X, 191X, 2802, 2812, 2822, or YYYY
Depreciable Capital Assets and Infrastructure, net	1801 thru 1814, 1816 thru 1856, 1858, 1859, 1861 thru 1879, or (1881 thru 1886 and 1888 thru 1899 for agencies other than HAA)
Land and Nondepreciable Infrastructure	1800, 1815, 1857, 1860, 1880, 1887 or (1881 thru 1899 for agency HAA)
LIABILITIES:	
CURRENT:	
Tax Refunds Payable	2150
Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231X, 240X, 2410, 242X, 243X
TABOR Refund Liability	2415
Due to Other Governments	233X, 234X, 2351 thru 2359
Due to Component Units	2350
Deferred Revenue	25XX
Obligations Under Reverse Repurchase Agreements	2711
Accrued Compensated Absences	2440
Claims and Judgments Payable	230X
Leases Payable	2321, 2620
Notes, Bonds, and COPS Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2699
Other Current Liabilities	2700 thru 2710, 2713 thru 2799
NONCURRENT:	
Deposits Held in Custody For Others	297X
Accrued Compensated Absences	291X, 292X
Claims and Judgments Payable	287X
Capital Lease Payable	2820
Capital Lease Payable To Component Units	2825
Notes, Bonds, and COPS Payable	2800, 2801, 2803 thru 2811, 2813 thru 2819, 2821, 2823, 2824, 2826 thru 2869
Other Long-Term Liabilities	293X, 296X, 298X, 299X

NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	18XX balances less (2321, 2620, 2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2699, 2800, 2801, 2803, 2804, 2808, 2809, 2813 thru 2829, 2830 thru 2869)
Restricted for Highway Construction and Maintenance	Identified by fund
Restricted for State Education	Identified by fund
Restricted for Unemployment Insurance	Identified by fund
Restricted for Debt Service	3220
Restricted for Emergencies	Specified in Statute (Recorded by SCO)
Restricted - Permanent Endowment – Expendable	3230
Restricted - Permanent Endowment – NonExpendable	3240
Restricted – Court Awards and Other Purposes	3200 and other balances identified by fund
Unrestricted	Calculated as Residual Net Assets Not Restricted or Invested in Capital Assets

BALANCE SHEET – GOVERNMENTAL FUNDS	
Financial Statement Line Item	Accounts Included
ASSETS:	
Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11XX, 200X, 2712
Taxes Receivable, net	1310 thru 1327
Other Receivables, net	1300, 1330 thru 1344, 1346 thru 1349, 1360 thru 1363, 1366 or 1367
Intrafund Receivables	1390 thru 1394, 1396 thru 1399, 1730
Due From Other Governments	135X
Due From Other Funds	137X, 172X
Due From Component Units	1395
Inventories	14XX
Prepays, Advances, and Deferred Charges	1500 thru 1537, 1583 thru 159B, PRLN or LDCR
Restricted Cash	1034
Restricted Investments	1634
Restricted Receivables	1345
Investments	12XX, 1600 thru 1633, 1635 thru 1699
Other Long-Term Assets	1580, 170X, 171X, 1731 thru 1799, 190X, 191X, 2802, 2812, 2822, or YYYY
Depreciable Capital Assets and Infrastructure, net	1801 thru 1814, 1816 thru 1856, 1858, 1859, 1861 thru 1879, 1881 thru 1886, 1888 thru 1899 (Permanent funds only)
Land and Nondepreciable Infrastructure	1800, 1815, 1857, 1860, 1880, 1887 (Permanent funds only)
LIABILITIES:	
Tax Refunds Payable	2150
Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231X, 240X, 2410, 242X, 243X
TABOR Refund Liability	2415
Due to Other Governments	233X, 234X, 2351 thru 2359
Due to Other Funds	236X, 294X
Intrafund Payables	239X, 295X
Due to Component Units	2350
Deferred Revenue	25XX
Obligations Under Reverse Repurchase Agreements	2711
Compensated Absences Payable	2440, 291X, 292X
Claims and Judgments Payable	230X, 287X
Leases Payable	2321, 2620, 2820, 2825
Notes, Bonds, COPs Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2699, 2800, 2801, 2803 thru 2811, 2813 thru 2819, 2821, 2823, 2824, 2826 thru 2869
Other Current Liabilities	2700 thru 2710, 2713 thru 2799, 293X, 296X, 298X, 299X
Deposits Held in Custody	297X

FUND BALANCE:	
Reserved:	
Encumbrances	Post closing entry
Noncurrent Assets	Other Long –Term Assets not offset by deferred revenue
Debt Service	Debt Service Fund fund balance
Statutory Purposes	Post closing entry
Risk Management	Net assets of 11L, 11P, 11W
Emergencies	Post closing entry
Funds Reported as Restricted	Identified by fund for governmental funds
Unreserved, Reported in:	
General Fund, etc	Identified from major fund statements
Unreserved:	
Designated for Unrealized Investment Gains	Post closing entry

STATEMENT OF NET ASSETS – PROPRIETARY AND FIDUCIARY FUNDS		
Exhibit J Code	Financial Statement Line Item	Accounts Included
ASSETS:		
	CURRENT ASSETS:	
AA	Cash and Pooled Cash	1000 thru 1033, 1035 thru 1099, 11XX, 200X, 2712
AB	Short Term Investments	12XX
AC	Taxes Receivable, net	1310 thru 1327
AD	Student and Other Receivables, net	1300, 1330 thru 1344, 1346 thru 1349, 1360 thru 1363, 1366 or 1367
AE	Intrafund Receivables	1390 to 1394, 1396 thru 1399, 1730
AF	Due From Other Governments	135X
AG	Due From Other Funds	137X
AH	Due From Component Units	1395
AI	Inventories	14XX
AJ	Prepays, Advances, and Deferred Charges	1500 thru 1537, 1583 thru 159B, PRLN or LDCR
	NONCURRENT ASSETS:	
	Restricted Assets:	
BA	Restricted Cash and Pooled Cash	1034
BB	Restricted Investments	1634
BC	Restricted Receivables	1345
BD	Investments	1600 thru 1633, 1635 thru 1699
BE	Due From Other Funds Long-Term	172X
BF	Other Long-Term Assets	1580, 170X, 171X, 1731 thru 1799, 190X , 191X, 2802, 2812, 2822, YYYY
BG	Depreciable Capital Assets and Infrastructure, net	1801 thru 1814, 1816 thru 1856, 1858, 1859, 1861 thru 1879, 1881 thru 1886, 1888 thru 1899
BH	Land and Nondepreciable Infrastructure	1800, 1815, 1857, 1860, 1880, 1887
LIABILITIES:		
	CURRENT LIABILITIES	
CA	Tax Refunds Payable	2150
CB	Accounts Payable and Accrued Liabilities	2100 thru 2149, 2151 thru 2299, 231X, 240X, 2410, 242X, 243X
CC	TABOR Refund Liability	2415
CD	Due to Other Governments	233X, 234X, 2351 thru 2359
CE	Due to Other Funds	236X
CF	Intrafund Payables	239X, 295X
CG	Due to Component Units	2350
CH	Deferred Revenue	25XX
CI	Obligations Under Reverse Repurchase Agreements	2711
CJ	Accrued Compensated Absences	2440
CK	Claims and Judgments Payable	230X
CL	Leases Payable	2321, 2620
CM	Notes, Bonds, COP's Payable	2320, 2322 thru 2329, 2600 thru 2619, 2621 thru 2699
CN	Other Current Liabilities	2700 thru 2710, 2713 thru 2799

	NONCURRENT LIABILITIES	
DA	Due to Other Funds	294X
DB	Deposits Held in Custody	297X
DC	Accrued Compensated Absences	291X, 292X
DD	Claims and Judgments Payable	287X
DE	Capital Lease Payable	282X
DF	Capital Lease Payable to Component Unit	2825
DG	NonCapital Debt Payable (presented with Notes, Bonds, COP's Payable)	2805 thru 2807, 2810, 2811
DH	Notes, Bonds, COP's Payable	2800, 2801, 2803, 2804, 2808, 2809, 2813 thru 2819, 2821, 2823, 2824, 2826 thru 2869
DI	Other Long-Term Liabilities	293X, 296X, 298X, 299X

NET ASSETS:		
	Invested in Capital Assets, Net of Related Debt	18XX balances less (2800, 2801, 2803, 2804, 2808, 2809, 2813 thru 2819, 2820, 2821, 2823 thru 2869)
	Restricted for Unemployment Insurance	Net Assets of Unemployment Insurance Fund
EG	Restricted for Debt Service	3220
	Restricted for Emergencies	Post Closing Entry
EH	Restricted - Permanent Endowment – Expendable	3230
EI	Restricted - Permanent Endowment – NonExpendable	3240
EF	Restricted – Other Externally Restricted	3200
	Unrestricted	Calculated as Residual Net Assets Not Restricted or Invested in Capital Assets
	Held in Trust for:	
	Pension/Benefit Plan Participants	Residual Balance By Fund Type
	Investment Trust Participants	Residual Balance By Fund Type
	Individuals, Organizations, and Other Entities	Residual Balance By Fund Type

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
REVENUES:		
Taxes:		
Individual & Fiduciary Income	31	2200 thru 2599, 2800 thru 2999
Corporate Income	31	2600 thru 2799
Sales and Use	31	0000 thru 1399
Excise	31	1400 thru 2199
Other Taxes	31	3000 thru 3900, 3904 thru 4199
License, Permits, Fines	31	3901 thru 3903, 4200 thru 4399, 5500 thru 5899
Charges for Goods and Services	31	4400 thru 5499, 6602
Investment Income	31	59XX, 60XX
Federal Grants and Contracts	31	7400 thru 7530, 79XX
Permanent Fund Additions	31	9525
Other Revenues	31	6100 thru 6499, 6600, 6601, 6603 thru 6999, 73XX, 7531 thru 7899, 8000 thru 8399, 8800, 9400 thru 9524, 9526 thru 9999
EXPENDITURES: (See agency grouping by function at the bottom at this table.)		
General Government	22,24	Agency group 1 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Business, Community & Consumer Affairs	22,24	Agency group 2 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Education	22,24	Agency group 3 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Health & Rehabilitation	22,24	Agency group 4 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Justice	22,24	Agency group 5 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Natural Resources	22,24	Agency group 6 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Social Assistance	22,24	Agency group 7 and accounts - 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999
Transportation	22,24	Agency group 8 and accounts- 0000 thru 2299, 2313 thru 5109, 5770 thru 6099, 6500, 8001 thru 9999 (plus 231X and 7520 for CDOT funds 400 and 471 only)
Capital Outlay	22,24	61XX, 62XX, 63XX, 64XX, 6501 thru 6599, 66XX, 23XX
Intergovernmental Cities	22,24	511X, 541X, 551X, 561X
Intergovernmental Counties	22,24	512X, 542X, 552X, 562X
Intergovernmental School Dist.	22,24	517X, 547X, 555X, 567X
Intergovernmental Special Dist.	22,24	518X, 548X, 556X, 568X
Intergovernmental Federal	22,24	543X, 563X
Intergovernmental Other	22,24	514X, 515X, 516X, 544X, 545X, 546X, 553X, 554X, 557X, 564X, 565X, 566X
Debt Service	22,24	6700 thru 6899 all funds except 450; (0000 thru 6899, 8001 thru 8999 and 9XXX-for fund 450)
OTHER FINANCING SOURCES/USES:		
Operating Transfers-In	31	EXXX
Operating Transfers-Out	22,24	EXXX
Intrafund Transfers-In	31	AXXX
Intrafund Transfers-Out	22,24	AXXX

Face Amount of Debt Issued	31	7000
Bond Premium/Discount	31	7010
Capital Lease Proceeds	31	71XX, 72XX
Sale of Capital Assets	31	65XX
Debt Refunding Proceeds	31	7020
Debt Refunding Payments	22, 24	8000
AGENCY GROUPING BY FUNCTION		
Functional Group	Agencies	
General Government	99x, BWH, Axx, EAA, EBA, ECx, Mxx, Oxx, TAA, TBA, Wxx	
Business, Community, Consumer Affairs	BAA, BSF, EDA, EEA, EFA, EGA, KAA, NAA, SAA thru SCA, SEA thru SLA, TFA, TGA, Vxx	
Education	Dxx, Gxx	
Health and Rehabilitation	Fxx, IHH, IHM, IIA thru IJD, ILx, TCA	
Justice	Cxx, IKA, Jxx, LAA, RAA, SDA	
Natural Resources	Pxx	
Social Assistance	IHA, UHA	
Transportation	Hxx	

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - ALL PROPRIETARY FUND TYPES			
Exhibit J Code	Financial Statement Line Item	Type	Accounts Included
OPERATING REVENUES:			
JA	Licenses and Permits	31	4200 thru 4399
JB	Tuition and Fees	31	48XX, 49XX, 5000, 5002 thru 5029, 5031 thru 5049, 5052 thru 5099
JC	Pledged Tuition and Fees	31	5030
JD	Scholarship Allowance – Tuition/Fees	31	5050, 5051
JE	Sales of Goods and Service	31	4400 thru 4799, 5001, 5100 thru 5449, 5452 thru 5469, 5471 thru 5499
JF	Pledged Sales of Goods and Service	31	5470
JG	Scholarship Allowance – Sales of Goods and Service	31	5450, 5451
JH	Investment Income (Loss)	31	5904, 5905, and (5900 thru 5929 and 5931 thru 6099 for fund categories E3, E6)
LD	Pledged Investment Income	31	5930 (CSOBA only)
JI	Rental Income	31	6420, 6421, and (6100 thru 6499 for fund categories E7, EZ, and I5)
JJ	Gifts and Donations	31	6604
JK	Federal Grants and Contracts	31	7400 thru 7429, 7431 thru 7449, 7451 thru 7529, 79XX
JL	Pledged Federal Grants/Contracts	31	7450
JM	Intergovernmental Revenue	31	7700 thru 7729, 7731 thru 7769, 7771 thru 7799, 8000 thru 8200
JN	Other Revenues	31	3800, 3801, 7000 thru 7399, 7600 thru 7629, 7631 thru 7699, 7800 thru 7829, 7831 thru 7899, 8201 thru 8309, 8312 thru 8329, 8331 thru 8399, 9400 thru 9524, 9526 thru 9999
JO	Pledged Other Revenues	31	8330
EXPENSES:			
KA	Salaries and Fringe Benefits	22, 24	1XXX
KB	Operating and Travel	22, 24	2000 thru 4110, 4112 thru 4129, 414X, 4161 thru 4909, 4911 thru 5109, 5700 thru 6699, 7520, 9XXX
KC	Cost of Goods Sold	22, 24	4910
KD	Depreciation and Amortization	22, 24	4130
KE	Intergovernmental Distributions	22, 24	5110 thru 5554, 5556 thru 5699 (except Lottery)
KF	Debt Service	22, 24	4150, 4151, 6700 thru 7109 (fund categories E3 and E6 only –CSOBA and Student Loan)
KG	Prizes and Awards	22, 24	4111, 4160
NON-OPERATING REVENUES AND EXPENSES:			
LA	Taxes	31	1000 thru 3799, 3802 thru 4199
LB	Fines and Settlements	31	5500 thru 5899
LC	Investment Income (Loss)	31	5900 thru 5903, 5906 thru 5929, 5931 thru 6099 (not included in operating revenues)
LD	Pledged Investment Income	31	5930 (All agencies excluding CSOBA)
LE	Rental Income	31	6100 thru 6419, 6422 thru 6499 (not

			included in operating revenues)
LF	Gifts and Donations	31	6600, 6602, 6605 thru 6608, 6618 thru 6999
LG	Intergovernmental Distributions	22, 24	5555, (5110 thru 5699 for Lottery only)
LH	Gain/Loss on Sale of Capital Assets	31	65XX
LI	Debt Service	22, 24	415X, 6700 thru 7109
LJ	Other Expenses	22, 24	8XXX
LK	Other Revenue	31	8310, 8311
CONTRIBUTIONS AND TRANSFERS:			
MA	Capital Contributions	31	6603, 6609 thru 6617, 7430, 7530, 7630, 7730, 7770, 7830, 88xx
MB	Additions to Permanent Endowment	31	6601, 9525
MD	Special and Extraordinary Items	2X or 31	Post closing entry from exhibit (requires both accounting entry and explanation)
ME	Operating Transfers-In	31	EXXX
MF	Operating Transfers-Out	22, 24	EXXX
MG	Intrafund Transfers-In	31	AXXX
MH	Intrafund Transfers-Out	22, 24	AXXX

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Tuition, Fees, and Student Loans	01	1332, 1335
	31	4801 thru 5099
Fees for Service	01	1330, 1331, 1333, 1334 (except Lottery), 1336, 1337, 134X, 1351, 1352, 1354, 1583 thru 1589, 1596, 1597, 1599, (1370 for Admin Hearings only), (1362 for CSOBA fund 514 only)
	02	2501 for State Fair only
	22, 23, 24	412X
	31	4225 thru 4299, 4303, 4304, 4400 thru 4800, 5100 thru 5214, 54XX
Sales of Products	31	5300 thru 5399
	01	1338 thru 1341, 1350, 1359, 1370 thru 1389, (1334 for Lottery only), (1342 for Prison Canteen only)
	02	2501 for Lottery only, 250A for Central Services only
Gifts, Grants and Contracts	31	6602, 6604 thru 6608, 7400 thru 7429, 7450 thru 7529, 7600 thru 7629, 7700 thru 7729, 7750 thru 7769, 7800 thru 7829, 7901 thru 7999
	01	1353, 1355 thru 1358, 1395 thru 1399, and (1350 for HE only)
	02	2500, and (2333 for CSLP only)
Loan and Note Repayments	01	Credits (with cash offsets) to 1360 thru 1365, 1762 thru 1799, (1342 for CSOBA Fund 513), (1370 for CSOBA), (Exhibit V adjustment provided by HE and CSOBA)
	22	4270 thru 4300
	31	5904 thru 5929, (8330 for CSOBA Fund 513 only)
Unemployment Insurance Taxes	31	3800, 3801, and Other Sources for Unemployment Insur. only.
	01	1334 Unemployment Insurance only
	02	2330 Unemployment Insurance only
Other Sources	31	0000 thru 4224, 4300 thru 4302, 4305 thru 4399, 5215 thru 5299, 5500 thru 5899, 6700 thru 6999, 73XX, 8000 thru 8399, 9400 thru 9999
	01	1301 thru 1329, 1390 thru 1394, 1720 thru 1761
	02	2390 thru 2399, 2501 thru 2599 (except Lottery), 295X
Cash Payments To or For:		
Employees	22, 23, 24	0000 thru 1531, 1610 thru 1631, 1890 thru 1909, 424X, 425X, (1910 for CSOBA only)
	01	1502, 1590 thru 1594, LDCR, PRLN
	02	2201 thru 2299, 2400 thru 2409, 293X
Suppliers	22, 23, 24	1532 thru 1609, 1632 thru 1809, 1910 thru 2309, 2510 thru 4104, 4131 thru 4149, 4180 thru 4239, 426X, 4301 thru 5109
	31	(8301 for CSOBA fund 512 only)
	01	1400 thru 1501, 1503 thru 1529, 1598, 159B 1700 thru 1709, (1336 for CSOBA only)
	02	2001 thru 2149, 2310 thru 2314, 2350 thru 2389, 2410 thru 2414, 270X, 294X, 296X, (2990 for HE only), (2333, 2391 for CSOBA), (1342, 1391 for CSOBA Funds 512 and 514), (2990 for CSOBA Fund 514)
Lottery Prizes & Sales Commissions	22, 23, 24	416X
	02	2718 thru 2729, (2333 Lottery only)
Unemployment Benefits	22, 23, 24	5895, and for Unemployment Insurance only – balance normally

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
		reported in payments to employees and suppliers.
Scholarships	22	5892, 5896
Others for Student Loans, and Loan Losses	22, 23, 24	4270 thru 4300, (Exhibit V adjustment provided by HE and CSOBA), (4105 thru 4119, 4150, 4151, 417X, 5770 thru 5891, 5893, 5894, 5897 thru 6109, 7520, 811X, 8130 thru 9999 CSLP only)
	01	Debits (with cash offsets) to 1360 thru 1363, 1762 thru 1799, (1342 for CSOBA Fund 513), (1370 for CSOBA), (Exhibit V adjustment provided by HE and CSOBA)
	02	(2990 for CSOBA Funds 512 and 513)
Other Governments	22, 23, 24	5110 thru 5554, 5560 thru 5769 (except Lottery)
	02	2330 thru 2349 (except Lottery)
Other	22, 23, 24	4105 thru 4119, 417X, 5770 thru 5891, 5893, 5894, 5897 thru 6109, 7520, 811X, 8130 thru 9999,
	01	1530 thru 1579
	02	2150 thru 2200, 2300 thru 2309, 2415 thru 2419, 243X, 2710, 2711, 2713 thru 2717, 2740 thru 2799, 2870 thru 2909, 299X
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-In	31	EXXX
Transfers-Out	22, 23, 24	EXXX
Receipt of Deposits Held in Custody	02	Credits (with cash offsets) to 273X, 2970 thru 2989, (Exhibit V adjustment provided by HE and CSOBA)
Release of Deposits Held in Custody	02	Debits (with cash offsets) to 273X, 2970 thru 2989, (Exhibit V adjustment provided by HE and CSOBA)
Nonexchange Gifts – Not for Capital Purposes	31	6600, 6601
Intergovernmental Distributions	22, 23, 24	5555 thru 5559, and (5110 thru 5769 Lottery only)
	02	2330 thru 2349 Lottery only
Intrafund Transfers (should net to 0)	31	AXXX
	22, 23, 24	AXXX
Noncapital Debt Proceeds	02	Credits (with cash offsets) to 2323 thru 2329, 261X, 263X, 2807, 281X, 283X, (2420, 2600, 2805, and 2806 for CSOBA fund 513 only), (Exhibit V adjustment provided by HE and CSOBA)
	01	1711 for CSOBA only
	22,23,24	(6720 for CSOBA fund 513 only)
Noncapital Debt Service Payments	02	Debits (with cash offsets) to 2323 thru 2329, 261X, 263X, 2807, 281X, 283X, (Exhibit V adjustment provided by HE and CSOBA)
	22, 23, 24	(415X, 671X, 672X, 8000 thru 8109, 812X) for CSOBA and CSLP only
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	01	Debits (with cash offsets) to 1580 thru 1582, 1595, 159A, 18XX, (Exhibit V adjustment provided by HE and CSOBA)
	02	2315 thru 2319, 2321, 262X, 2640 thru 2699, 282X, 2840 thru 2869
	22, 23, 24	2310 thru 2509, 4130, 6110 thru 6709
	31	6609 thru 6699, 72XX, 88XX
Capital Contributions	31	EBGD/8800 where cash is transferred (Exhibit V adjustment provided by HE and CSOBA)
Capital Gifts, Grants, and Contracts	31	6603, 7430 thru 7449, 7530 thru 7599, 7630 thru 7699, 7730 thru 7749, 7770 thru 7799, 7830 thru 7900

STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES		
Financial Statement Line Item	Type	Accounts Included
Proceeds from Sale of Capital Assets	01	Credits (with cash offsets) to 1580 thru 1582, 1595, 159A, 18XX, (Exhibit V adjustment provided by HE and CSOBA)
	31	65XX
Income from Property	01	1366 thru 1369, (1342, 1370 for Capitol Complex only)
	31	6100 thru 6499
Capital Debt Proceeds	02	Credits (with cash offsets) to 2320, 260X, 2800 thru 2806, 2808, 2809, (Exhibit V adjustment provided by HE and CSOBA)
	01	171X
	22	6730 thru 6809
	31	70XX, 71XX
Capital Debt Service Payments	02	Debits (with cash offsets) to 2320, 2322, 242X, 260X, 2800 thru 2806, 2808, 2809, (Exhibit V adjustment provided by HE and CSOBA)
	01	Debits (with cash offsets) to 171X
	22, 23, 24	415X, 671X, 672X, 8000 thru 8109, 812X (except CSLP and CSOBA)
Capital Lease Payments	02	Debits (with cash offsets) to 2321, 262X, 282X, (Exhibit V adjustment provided by HE and CSOBA)
	22, 23, 24	6810 thru 7109
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest/Dividends on Investments	01	130X
	31	5900 thru 5903, 5930 thru 5999, (5904 for CSOBA fund 514 only)
Proceeds from Sale/Maturities of Investments	01	Credits (with cash offsets) to 12XX, 16XX, 60XX, (Exhibit V adjustment provided by HE and CSOBA)
Purchase of Investments	01	Debits (with cash offsets) to 12XX, 16XX, 60XX, (Exhibit V adjustment provided by HE and CSOBA)

The line item account groupings for the STATEMENT OF FIDUCIARY NET ASSETS are shown with the STATEMENT OF NET ASSETS – PROPRIETARY FUNDS because the groupings are identical except for the net asset section. The net assets groupings have been included on the proprietary line item schedule.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS		
Financial Statement Line Item	Type	Accounts Included
ADDITIONS:		
Additions By Participants	31	9525 (except fund category Z1)
Member Contributions	31	5100, 5102, 5111, 9531
Employer Contributions	31	5110, 9532
Investment Income (Loss)	31	5900 thru 6099
Employee Deferral Fees	31	5101
Unclaimed Property Receipts	31	9525 (fund category Z1 only)
Other Additions	31	0000 thru 5099, 5112 thru 5899, 6100 thru 8399, 9400 thru 9524, 9533 thru 9999
DEDUCTIONS:		
Distributions to Participants	22,24	9120
Withdrawals and Benefits	22,24	9130
Health Insurance Premiums Paid	22, 24	4255
Other Benefit Plan Expenses	22, 24	4256

Payments in Accordance w/ Trust Agreements	22, 24	All nontransfer object codes for fund categories Z1, Z2, ZZ
Administrative Expense	22,24	All objects for agencies AQE only (except objects EXXX, AXXX, and 9120)
Other	22,24	0000 thru 4254, 4257 thru 7109, 7900 thru 9119, 9121 thru 9129, 9131 thru 9999
TRANSFERS:		
Operating Transfers-In	31	EXXX
Operating Transfers-Out	22,24	EXXX
Intrafund Transfers-In	31	AXXX
Intrafund Transfers-Out	22,24	AXXX

4.5 Discretely Presented Component Units Required by GASB 39

The state is implementing GASB 39 for Fiscal Year 2003-04. The new standard requires foundations or other entities that meet certain requirements to be discretely presented as component units in the state's financial statements. The State Controller has adopted a policy that foundations with assets or revenues in excess of \$75 million will be discretely presented as component units in the state's financial statements. This threshold was based on a survey of state agencies, which has shown that currently this requirement applies only to higher education institution foundations. However, any state agency that has a relationship with an entity that meets the requirements of GASB 39 and exceeds the \$75 million threshold must comply with the requirements of this section.

In order to include these foundations as discretely presented component units (DPCUs), the State Controller's Office needs the audited financial statements of the foundation. The state agency to which the DPCU is related must provide the audited foundation financial statements at the earliest date they are available, but not later than October 31. Because most of the DPCUs have the same fiscal year end as the state, the State Controller's Office will present the DPCUs financial information from the prior fiscal year in the Basis Financial Statements required by Colorado Revised Statutes at September 20. The State Controller's Office will update the DPCUs financial information for the Comprehensive Annual Financial Report using the current year audited financial statements of the DPCUs.

The State Controller requires state agencies and institutions to prepare financial statements using Generally Accepted Accounting Principles similarly to how those standards apply to the state as a whole. Consistent with that requirement, the State Controller requires state agencies related to DPCUs of the state to include those entities as DPCUs in the agency's audited financial statements.



CHAPTER 3: SECTION 5

SUPPLEMENTAL INFORMATION FOR STATEWIDE REPORTING

KEY DATES

July 30	Intra/Interfund Receivable/Payable Confirmation Form due to State Controller's Office.
August 18	Agency Exhibit Listing and applicable exhibits A1, A2, B, C, D1, D2, E, F1, F2, G, I, J, L, M, N, O, P, Q, R, S, T, U, V, W1, and W2 are due to State Controller's Office.
September 20	Exhibit K due to State Controller's Office.

The following additional information, which cannot be obtained from COFRS, is needed for statewide reporting purposes. Exhibits must be based on COFRS data as of the period 13 close. If post closing adjusting entries are approved by your field accounting specialist and Reporting and Analysis after period 13, and before the exhibit due date, they should be incorporated into your exhibit data. Please do not aggregate agencies on the exhibits except on Exhibits I and J if appropriate.

You are not required to complete an exhibit for an agency if it is not applicable. Instead you must show on the Agency Exhibit Listing form discussed in Section 5.1 which exhibits are applicable.

You may submit the Agency Exhibit Listing and all applicable exhibits except Exhibit I and Exhibit R in electronic format if you wish. An Excel template is available on disk or through e-mail from David McDermott (e-mail address - david.mcdermott@state.co.us, phone 303-866-2739). **Submit all exhibits directly to David McDermott in the Reporting and Analysis Section of the State Controller's Office. Reporting and Analysis will provide copies or originals to the field accounting specialists as appropriate.** Submitting your exhibits promptly will eliminate the need for you to respond to our reminder telephone calls. Note the "Date Prepared" line on each exhibit. We will refer to this date to ensure that we are using the latest version of each agency's exhibits in preparing the state's financial statements. **Note that we have added a line for you to provide your e-mail address on each exhibit submitted.**

The following file naming convention should be used in submitting electronic format exhibits through e-mail. The file name should indicate the agency(ies) included, whether the file contains original or revised exhibits, and the file format type in the following structure:

XXX_YYYZ.WWW

- ♦ The XXX represents the COFRS agency indicator. Replace the Xs to the level for which you are reporting. For example, replace the first X with your department letter if you are reporting for your entire department. Replace the first and second X if you are reporting for the agency class or at the board level. Replace all three Xs with your agency code if you are reporting for a single agency.
- ♦ The YYY represents the indicator for whether the file is the original submission or a revision. If you are making your original submission, replace the YYY with ORG. If the file is to revise exhibits already submitted, replace the YYY with REV.

- ♦ The Z represents the revision version number and is needed to ensure we do not overwrite previous revisions.
- ♦ The WWW represents the file type indicator and should be XLS. Your software will supply this indicator when you save the file as an Excel file.

5.1 Agency Exhibit Listing

The completed Agency Exhibit Listing form is your representation of which exhibits were applicable, and it shows the date on which you submitted the applicable exhibits.

The form provides a space at the top to enter the agency code for each active COFRS agency for which you are responsible. For this purpose, active COFRS agencies are agencies having general ledger activity, outstanding or defeased debt, federal assistance, or outstanding lease agreements. In the columns under the agency code, enter for each exhibit listed either 'None' or the date you submitted the exhibit. You will enter 'None' only if the conditions requiring the exhibit did not exist at your agency. If you are not submitting your Exhibit K with your other exhibits because it has a later due date, you should leave the related cell blank. The Reporting and Analysis section will record the date it receives your Exhibit K.

You may use multiple copies of the Agency Exhibit Listing form if you are responsible for more than four agencies. **You should not revise the form if you submit revised exhibits;** Reporting and Analysis will record the revision date on your original exhibit listing.

It is difficult to identify the changes made if an agency submits a full set of exhibits when it makes a revision. **Therefore, if you submit an exhibit revision, include only the exhibits that have changed.** This can be done by deleting all unchanged exhibits from the Exhibit Listing file or by copying only the changed exhibit to a new workbook for submission. Please explain the changes you have made to the exhibits in your revision e-mail or other communication.

AGENCY EXHIBIT LISTING

For the Fiscal Year Ending June 30, 2004

	Agency			
A1-Changes in TABOR Base Fiscal Year Spending				
A2-Changes in TABOR District or Enterprise Status				
B-Risk Financing and Related Insurance Issues				
C-Schedule of Changes in Long-Term Liabilities				
D1-Governmental & ISF Debt Service Requirements to Maturity				
D2-BTA Debt Service Requirements to Maturity				
E-Schedule of Revenue Bond Coverage				
F1-Schedule of Capital Leases				
F2-Schedule of Operating Leases				
G-Advanced Debt Refunding and Defeasance				
H-Proposed Financial Statement Post-Closing Entry				
I-Letter of Certification of Financial Systems				
J-Financial Statement Reconciliation Format				
K-Schedule of Federal Assistance				
L-Summary of Material Contingent Liabilities				
M-Cash on Hand or Deposited with Financial Institutions				
N-Schedule of Investments				
O-Summary of Related Party Disclosures				
P-Major Estimates				
Q-Proprietary Fund Noncash Transactions (nonhigher ed only)				
R-Petty Cash Delegation Certification/Application				
S-Changes in Short-Term Financing				
T-Segment Reporting				
U-Other Accounting Disclosures				
V-Higher Ed Cash Flow Stmt - Supplemental Information				
W1-Changes in Capital Assets - Govt'l and Internal Service Funds				
W2-Changes in Capital Assets - Enterprise Funds				

Instructions:

1. Enter your three character agency indicator at the top of a column.
2. For each of the exhibits listed enter either:
 - "None" if the conditions requiring the exhibit did not exist at your agency.
 - "XX/YY" if you are submitting an exhibit; replace the XX with the month and the YY with the day the exhibit is being submitted to the State Controller's Office.
 - " " leave the cell blank if an exhibit will be submitted later because it has a later due date.
3. Complete one column for each active COFRS agency; use multiple copies of this form if needed.
4. Submit this form as a cover to your package of exhibits.

Prepared By: _____
Phone Number: _____
Email Address: _____

Department Name: _____
Date Prepared: _____

5.2 Exhibit A1 - Notification of Changes in the TABOR Base Fiscal Year Spending

A change in fiscal year spending (nonexempt revenues) is either an increase or decrease to nonexempt revenues with a matching offset to exempt revenues. Such a change may affect both the base fiscal year and the fiscal year just completed. A change could be due to resolution of audit findings or misclassifications of revenues. **Show on the Exhibit A1 the balanced journal entry that would have been made to correctly state the TABOR revenues.**

The State Controller's policy is to correct errors relating to each of the previous years that affect the current year TABOR limit. Each year's limit is the lesser of the adjusted prior year limit or adjusted prior year fiscal year spending. The state did not exceed the TABOR limit in Fiscal Year 2002-03. As a result, the Exhibit A1 shows only the prior year as the base year. Increases (of any amount) or decreases in fiscal year spending (less than \$584.3 million – the amount by which the state was under the Fiscal Year 2002-03 limit) will not affect the current fiscal year spending limit. Since a revenue error of that magnitude is unlikely, the Exhibit A1 will show only the prior year as the base year until the state again exceeds the TABOR revenue limit.

Corresponding changes to the current year (FY03-04) are done on Exhibit H unless they have already been posted on the Colorado Financial Reporting System. The same \$100,000 materiality threshold applies to Exhibit A1 as applies to Exhibit H.

EXHIBIT A1
NOTIFICATION OF CHANGES IN THE TABOR BASE FISCAL YEAR SPENDING
FOR THE FISCAL YEAR ENDING JUNE 30, 2004
BASE FISCAL YEAR IS FY 2002-03

Fiscal Year	Agency	Fund	Revenue Source Code	Debit	Credit
2002-03					

Note: Fiscal Year Spending is the same as nonexempt revenue.

Explanation:

Prepared By: _____ Agency Name: _____
Phone Number: _____ Agency Code: _____
Email Address: _____ Date Prepared: _____

5.3 Exhibit A2 - Notification of Changes in the TABOR District or Enterprise Status

In agreement with the Office of the State Auditor and the Attorney General's Office, we revised the processes underlying the Exhibit A2 in Fiscal Year 1997-98. The purpose of this exhibit is to provide the State Controller's Office with the information necessary to ensure that the comparison of TABOR revenues between fiscal years is legitimate. The Exhibit A2 has three sections.

Section A – Increases in TABOR Limit

Use Section A to report the **current year nonexempt revenue** of an entity or activity that is new to the state's TABOR district (this does not include miscoding that should be reported on Exhibit A1). Also, use it to report the nonexempt revenues of an activity that was previously a qualified TABOR enterprise but has lost that qualification in the current year. Such a disqualification may occur because of legislation, because the activity received state support exceeding the allowable ten percent, or for other reasons. The controller will use the amount you report in this section to increase the TABOR limit so that there is no TABOR impact in the year the disqualification occurs or a new activity becomes part of the state's TABOR district. Exempt revenues should not be included in the amount reported in this section. You should show changes to current year (FY03-04) revenues on Exhibit H unless you have already made the change on COFRS. Please indicate by a check mark whether FY03-04 is correct on COFRS or you have submitted an Exhibit H.

Section B – Decreases in TABOR Limit

Use Section B to report the prior-year nonexempt revenues of a newly qualified or requalified enterprise. Such a qualification may occur because of legislation, because the activity received state support of less than ten percent, or for other reasons. When an activity qualifies as a TABOR enterprise, its prior year revenues should not be counted in the limit. To ensure comparability between years, the State Controller's Office must know the amount of the prior year nonexempt revenue of the activity in order to appropriately reduce the TABOR limit.

Section C – Fund Balance

Use Section C to report the current year beginning fund balance of an activity that is new to the TABOR district or of a newly qualified or disqualified enterprise. This information is needed because the TABOR schedule of computations shows the changes in district fund balance to identify the revenues received but not expended. Provide the current year beginning fund balance (i.e., net assets) of the activity. If the assets exceed liabilities show the amount in brackets; if the liabilities exceed assets show the balance without brackets.

The same \$100,000 materiality applies to Exhibit A2 as applies to Exhibit H.

EXHIBIT A2**NOTIFICATION OF CHANGES IN THE TABOR DISTRICT OR ENTERPRISE STATUS
FOR THE FISCAL YEAR ENDING JUNE 30, 2004****Section A****Current Year** Nonexempt Revenue of the New Entity or Decertified Enterprise

Agency	Fund	Revenue Source Code	Amount

Where are these changes reflected for FY2003-04? COFRS _____ Exhibit H _____

Section B**Prior Year** Nonexempt Revenue of the Newly Certified or Recertified Enterprise

Agency	Fund	Revenue Source Code	Amount

Section C**Current Year** Beginning Fund Balance of the New Entity or Certified/Decertified Enterprise

Agency	Fund	Balance

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.4 Exhibit B - Reporting for Risk Financing and Related Insurance Issues

This exhibit reports the detail of agencies' arrangements for insuring against risks. It is required for State Risk Management and any agencies that self-insure their risks other than through State Risk Management.

At the top of the form, enter a summary of the transactions that affected your risk management liability. The balance of the form is descriptive in nature and the sections are self-explanatory.

Accounting literature references for this exhibit include GASB Statement No. 10, GASB Interpretation No. 4, and GASB Implementation Guide for Statement No. 10.

EXHIBIT B
REPORTING FOR RISK FINANCING AND RELATED INSURANCE ISSUES
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30
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Directions: This form is required for any agency that self-insures its risks. Do not include any risks assigned to State Risk Management, unless you are completing this form as State Risk Management. Also include the following:

(a) A description of the risks of loss to which you are exposed and the way in which those risks are handled (for example the purchase of insurance, participation in a risk pool, etc.).

(b) A description of any significant reductions in insurance coverage from coverage in the prior year. Also indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years.

(c) If you are in a risk pool, a description of the nature of the participation including yours, and the pools, rights and responsibilities. If you are not in a risk pool explain the basis for estimating your liabilities, the carrying amount of liabilities for unpaid claims that are discounted and the range of discount rates, the aggregate outstanding amount of claims liabilities for which annuity contracts have been purchased in the claimants' names and the related liabilities that have been removed from the books.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.5 Exhibit C - Schedule of Changes in Long-Term Liabilities

This exhibit reports the gross increases and decreases in long-term liabilities matching the level of detail shown in the notes to the state's financial statements. The exhibit is divided into the following seven sections that parallel the disclosure in the financial statement footnotes:

- ♦ Long-Term Deposits Held in Custody - (Account 2970) Show additional deposits received during the year as an increase and deposits released as a decrease.
- ♦ Claims and Judgments Payable – (Accounts 287X) Show increases in actual and estimated claims as well as increases in judgments payable as an increase. Show payments of claims, estimated claims reductions, and judgment payments as a decrease. This information will duplicate the amounts shown on Exhibit B if your agency has only risk financing activity in accounts 287X. Since judgments are not included on Exhibit B, the claims information must be included on both exhibits.
- ♦ Capital Lease Payable - (Accounts 2820, 2825) Show new lease liabilities incurred as an increase and payments on lease principal as a decrease. Note that the Exhibit C information for leases is not the same as that reported on Exhibit F1, but it is required to show the gross change in capital lease liability.
- ♦ Bonds (Accounts 2800, 2801, 2803, 2805, 2806, 2807) – Show bonds issued as an increase and payments on principal as a decrease. Show premium/discount and gain/loss on refunding in separate lines. Original recording of premium/discount or gain/loss on refunding should be shown in the increase column, and amortization of these balances should be shown in the decrease column. Use the sign convention discussed below.
- ♦ Certificates of Participation (Accounts 2808, 2809) – Show COPs issued and original premium/discount as increases and payments on principal and amortization of premium/discount as decreases.
- ♦ Notes, Anticipation Warrants, and Mortgages - (Accounts 281X, 2830 and 2840) Report your noncurrent notes (and any related premium/discount), anticipation warrants, and mortgages.
- ♦ Other Long-Term Liabilities - (Accounts 2960 and 2990) Show the gross increases and decreases in these liability accounts in the respective columns.

In each of the categories, both the current and prior year account balances, must agree with the COFRS balances adjusted for postclosing entries. The current and prior year balances were provided to you on the Exhibit Reconciling Balance Report. **All amounts should be entered with the accounting normal-balance signs, that is, credit balances are entered as negative numbers and debit balances are entered as positive numbers.** Compensated absences liabilities are also included in the financial statement notes; however, the State Controller's Office will estimate the gross increase and decrease in this liability based on the payouts recorded in object codes 114X and 124X.

For all liabilities reported on this exhibit, reclassifications from long-term to current should be included in the column titled "Decreases." If you reclassify principal payments to current liability accounts and payment is made against the current liability, then only the reclass should be shown as a decrease in the long-term lease liability.

At the bottom of the exhibit, describe the nature of the liabilities reported in the line Other Long-Term Liabilities. The description should be adequate to explain the nature of the liability to an uninformed user of the financial statements.

EXHIBIT C
SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Fund	COFRS Account	6/30/03 Balance(CR)	Changes		6/30/04 Balance(CR)
			Increase(CR)	Decrease(DR)	
Deposits Held in Custody (297X)					
Claims and Judgments (287X)					
Capital Lease Payable (2820, 2825)					
Bonds Payable (2800, 2801, 2803, 2805, 2806, 2807)					
Certificates of Participation (2808, 2809)					
Notes, Anticipation Warrants, Mortgages (281X, 2830, 2840)					
Other Long-Term Liabilities (2960 and 2990)					
Totals					

Describe the nature of Other Long-Term Liabilities listed above:

Note: Liabilities reported on the state's financial statements that are not current should be included on this exhibit. Therefore, it includes the COFRS accounts noted parenthetically above. Beginning and ending balances must agree with the balances on COFRS, including any approved adjustments. Do not include Compensated Absence liabilities.

Prepared By: _____ Agency Name: _____
 Phone Number: _____ Agency Code: _____
 Email Address: _____ Date Prepared: _____



5.6 Exhibit D1 - Governmental and Internal Service Fund - Debt Service Requirements to Maturity

GASB 38 requires disclosure of both principal and interest payments individually by year for the first five years and in five-year increments throughout the term of the debt. The Exhibit D1 reports the debt service requirements for the liabilities reported in the governmental activities column of the Statement of Net Assets.

Enter the amount to be paid in each fiscal year by your governmental and internal service fund types. Do not include amounts to be paid by enterprise funds or fiduciary funds on the Exhibit D1. Unamortized premiums, discounts, refunding gains, and refunding losses should not be allocated to the individual periods on the exhibit, but should be shown in aggregate at the bottom of the exhibit in the line titled "Unamortized Balances". These amounts should only be entered in the principal columns. **The subtotals for the four types of liabilities shown on the exhibit in the principal columns must equal the balances in COFRS accounts 2800, 2805, 2808, 2810, 2830 and 2840, plus current liabilities in accounts 2320, 2323, 2600, 2608, 2610, 2630, and 2640 (as adjusted for post closing entries).** If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. **The amount classified as current (accounts 23XX and 26XX) must equal the amount shown on this exhibit as payable in Fiscal Year 2004-05.** If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. The Totals on Exhibit D1 will not agree to Exhibit C by the amount classified as current.

Note that lease liability accounts are not included on this exhibit.

EXHIBIT D1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
GOVERNMENTAL AND INTERNAL SERVICES FUNDS
AT JUNE 30, 2004

Year Ending June 30	Type of Debt							
	Revenue Bonds		Notes, Warrants Payable		Mortgages Payable		Cert. of Participation	
	(2320, 2600, 2800, 2805)		(2323, 2610, 2630, 2810, 2830)		(2640, 2840)		(2608, 2808)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest

2005

2006

2007

2008

2009

2010 to 2014

2015 to 2019

2020 to 2024

2025 to 2029

2030 to 2034

2035 to 2039

2040 to 2044

2045 to 2049

2050 to 2054

2055 to 2059

Add 5 yr grps as needed

Subtotals

Unamortized
Balances

Totals

Note: The financial statement totals in the principal columns must agree with the total COFRS balances in the accounts noted parenthetically above combined with the Unamortized Premium/Discount and Unamortized Refunding Gain/Loss (Balance Sheet Accounts 2801, 2803, 2806, 2807, 2809, 2811).

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.7 Exhibit D2 - Business Type Activities - Debt Service Requirements to Maturity

GASB 38 requires disclosure of both principal and interest payments individually by year for the first five years and in five-year increments throughout the term of the debt. The Exhibit D2 reports the debt service requirements for the liabilities reported in the business-type activities column of the Statement of Net Assets.

Enter the amount to be paid in each fiscal year by your enterprise fund types. Do not include amounts to be paid by governmental fund types, internal service funds, or fiduciary fund types on the Exhibit D2. Unamortized premiums, discounts, refunding gains, and refunding losses should not be allocated to the individual periods on the exhibit, but should be shown in aggregate at the bottom of the exhibit in the line titled "Unamortized Balances". These amounts should only be entered in the principal columns. **The subtotals for the four types of liabilities shown on the exhibit in the principal columns must equal the balances in COFRS accounts 2800, 2805, 2808, 2810, 2830 and 2840, plus current liabilities in accounts 2320, 2323, 2600, 2608, 2610, 2630, and 2640 (as adjusted for post closing entries).** If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. **The amount classified as current (accounts 23XX and 26XX) must equal the amount shown on this exhibit as payable in Fiscal Year 2004-05.** If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. The Totals on Exhibit D2 will not agree to Exhibit C by the amount classified as current.

Note that lease liability accounts are not included on this exhibit.

EXHIBIT D2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS
AT JUNE 30, 2004

Year Ending June 30	Type of Debt							
	Revenue Bonds		Notes Payable		Mortgages Payable		Cert.of Participation	
	(2320, 2600, 2800, 2805)		(2323, 2610, 2630, 2810, 2830)		(2640, 2840)		(2608, 2808)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest

2005

2006

2007

2008

2009

2010 to 2014

2015 to 2019

2020 to 2024

2025 to 2029

2030 to 2034

2035 to 2039

2040 to 2044

2045 to 2049

2050 to 2054

2055 to 2059

Add 5 yr grps as needed

Subtotals

Unamortized
Balances

Totals

Note: The financial statement totals in the principal columns must agree with the total COFRS balances in the accounts noted parenthetically above combined with the Unamortized Premium/Discount and Unamortized Refunding Gain/Loss (Balance Sheet Accounts 2801, 2803, 2806, 2807, 2809, 2811).

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.8 Exhibit E - Schedule of Revenue Bond Coverage

Use this exhibit to report the extent to which pledged revenues exceeded direct operating expenses and were available to meet debt service needs. Report the gross revenue pledged to service your revenue-bond debt and the direct operating expense related to those revenues. Calculate the available net revenue as the difference between pledged gross revenue and direct operating expense. Enter the debt service principal and interest related to the revenue bonds, and calculate the total debt service as the sum of the principal plus interest. You may aggregate multiple bond commitments on the same exhibit. The revenue amount shown on the exhibit should be your agency or institution's pledged revenues, and it should equal the amount of revenues recorded or reclassified into the pledged revenue accounts (5030, 5470, 5930, 7450, and 8330) on COFRS and on the state's financial statements.

EXHIBIT E
SCHEDULE OF REVENUE BOND COVERAGE
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Pledged Gross Revenue (1)	Direct Operating Expense (2)	Available Net Revenue (3)=(1)-(2)	Debt Service Requirement		
			Principal (4)	Interest (5)	Total (6)=(4)+(5)

Totals

Note: Multiple bond commitments may be aggregated. Pledged revenues reported above should agree with the COFRS balances reported in accounts 5030, 5470, 5930, 7450, and 8330.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.9 Exhibit F1 - Schedule of Capital Leases

Use this exhibit to report information on capital assets acquired under lease financing.

At the top of the form, enter the gross amount of capital assets under lease at fiscal year end by asset type. This should include only assets that remain under lease, and it should be the balances originally recorded in the COFRS 18XX accounts without regard to depreciation. Assets financed by certificates of participation should not be included in these amounts. Combine the land and improvements to land accounts (1800, 1810, 1815) under the category land. Combine the buildings, leasehold improvements, and construction in progress accounts (1820, 1830, and 1860) under the heading buildings. Combine the equipment, library books and holdings, and other capital assets accounts (1840, 1841, 1842, 1843, 1850, 1855, 1857, and 1870) under the heading equipment and other. This information is presented in the CAFR as a frame of reference to show the state's progress in paying for its leased assets.

In completing the section on future minimum lease payments, apply the criteria in FASB Statement 13 to differentiate between capital and operating leases. Report operating leases on Exhibit F2. For your capital leases enter the total payments per your lease payment schedule by fiscal year. Enter the portion of the payment that is interest or executory costs. Executory costs comprise insurance, maintenance, and taxes included in your lease payment. Calculate the payments on principal as the capital lease payments less implicit interest and executory costs.

The COFRS combined balances in accounts 2321 and 2620 must equal the amount reported as principal payments due in Fiscal Year 2004-05. If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount. **The total future payments on principal for all years combined must equal the lease liability recorded in accounts 2321, 2620, 2820, and 2825 on COFRS.** If they do not, you must submit an Exhibit H even if the amount is less than the Exhibit H threshold amount.

Amounts related to Certificates of Participation are reported on Exhibit D1 and/or Exhibit D2; do not include them on Exhibit F1.

Report as a single total amount the sublease rental payments you will receive from third party sublessees in all future years. Report the amount of contingent rentals for the current fiscal year. Contingent rentals are any lease payment that is determined in relation to some factor other than the passage of time. An example of a contingent rental is a lease payment based on the usage level of equipment.

At the bottom of the form, provide a description of your leasing arrangement along with a description of the basis for determining contingent rentals, renewal and purchase options or escalation clause, and restrictions imposed by the lease agreements. If the exhibit covers more than one lease arrangement, provide a description for each major leasing arrangement.

EXHIBIT F1
SCHEDULE OF CAPITAL LEASES
AT JUNE 30, 2004

Gross Amount of Capital Assets Under Lease at June 30, 2004: \$	Land	Buildings	Equipment and Other
At June 30, 2004, Annual Lease Payments Required for Each Fiscal Year	Total Payments	Implicit Interest & Executory Costs	Payments On Principal
2005			
2006			
2007			
2008			
2009			
2010 to 2014			
2015 to 2019			
2020 to 2024			
Add 5 yr groups as needed			
Total			

Total Sublease Rentals to be Received in the Future (if any): \$ _____

Contingent Rentals Incurred for FY 2003-04 (if any): \$ _____

NOTE: The total amount of the column "Payments on Principal" should agree to COFRS liability accounts 2321, 2620, 2820 and 2825.

Lease Description:

(Provide a general description of your leasing arrangement including; the basis for determining contingent rentals, renewal and purchase options or escalation clauses, and restrictions imposed by the lease agreements.)

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.10 Exhibit F2 - Schedule of Operating Leases

GAAP requires disclosure of future minimum lease payments for all noncancelable operating leases. State contracts contain a clause making them contingent on the availability of future lease appropriations. However, since these contracts are normally funded, this clause alone will not qualify the lease as cancelable. Therefore, you should look to other provisions of the lease agreement to determine if your operating lease is noncancelable, and thus, should be reported on this exhibit. The operating lease disclosure requirements are intended to show external commitments; therefore, lease arrangements with Capitol Complex and other internal lease arrangements should not be included on this exhibit.

In completing the section on future minimum lease payments, apply the criteria in FASB Statement 13 to differentiate between capital and operating leases. Report capital leases on Exhibit F1. Enter your future minimum lease payments by year from your lease payment schedule.

GASB Statement No. 13 requires specific accounting for operating leases with scheduled rent increases. Scheduled rent increases are increases that are fixed by contract. They occur with the passage of time and are not contingent on future events. There are two types of rent increases. Systematic and rational increases result from inflation or increases in the value or availability of the leased item. For this type of rent increase, the contract amount should be recorded as rent expense/expenditure and entered on the Exhibit F2. A second type of rent increase occurs when certain operating lease payments are low in relation to other payments as an inducement to enter the lease. For this type of rent increase, proprietary funds should record expense based on the straight line or effective interest method. Governmental funds should record the contract amount of rent in the governmental fund, and make an adjustment in the General Full Accrual Account Group (Fund 471) to convert the expenditure to the full accrual basis of accounting (that is, rent expense based on the straight line or effective interest method.) When this condition occurs for governmental or proprietary funds, the amounts shown on the Exhibit F2 should be based on the straight line or effective interest method calculation rather than the contract. See GASB Statement No. 13 for more information.

In the middle of the form report the total minimum sublease rentals related to the leases reported above. This should be the total of payments you expect to receive from a third party (external to the state's reporting entity) for the use of an asset you have rights to under the operating leases reported above. This information should be provided in total, not by year. Report the amount of contingent rentals for the current fiscal year. Contingent rentals are any lease payment that is determined in relation to some factor other than the passage of time. An example of a contingent rental is a lease payment based on the usage level of equipment.

At the bottom of the form, provide a description of your operating leasing arrangement. If the exhibit covers more than one lease arrangement, provide a description for each major leasing arrangement.

EXHIBIT F2
SCHEDULE OF OPERATING LEASES
AT JUNE 30, 2004

At June 30, 2004, Annual Lease Payments Required for Each Fiscal Year			Total Payments
2005			
2006			
2007			
2008			
2009			
2010	to	2014	
2015	to	2019	
2020	to	2024	
2025	to	2029	
2030	to	2034	
2035	to	2039	
2040	to	2044	
Add 5 yr groups as needed			
Total			

Total Minimum Sublease Rentals: \$ _____

Contingent Rentals Incurred for FY 2003-04 (if any): \$ _____

Lease Description: (Provide a general description of your operating lease arrangements.)

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.11 Exhibit G - Advance Debt Refunding and Defeasance

Use this exhibit to report the balance of all previously in-substance-defeased debt and to document debt refunding and/or debt defeasance occurring during the fiscal year. You should complete an Exhibit G for each refunding transaction or addition to the in-substance defeased debt balance made during the fiscal year. Detailed examples of refunding calculations are shown in the appendices of GASB Statements 7 and 23.

The year end balance of all in-substance defeased debt need only be shown on one copy of Exhibit G. This balance should include both current year and prior year in-substance defeased debt that is still outstanding. This information should be available from your escrow agent.

If debt is in-substance defeased using current funds rather than a refunding transaction, you should complete an Exhibit G so that SCO can support the change in the in-substance defeased debt balance. If you have a defeasance that does not involve the issuance of new debt, enter the amount deposited with the escrow agent in the column titled 'Escrow Deposit or New Debt' for the lines titled:

- ♦ Face amount of debt or deposit
- ♦ Sum of debt service cash flows or deposit
- ♦ Sum of present values of debt service cash flows or deposit

The sum of debt service cash flows (a & b) is the real dollar projected cash flows for both interest and retirement of debt excluding payments related to accrued interest received at the new debt issuance. The present value sums (c & d) are the present value of each year's cash flows (excluding accrued interest received) totaled for the term of the debt with each discounted at the effective interest rate. The effective interest rate is the rate that, when used to discount the debt service requirements on the new debt, produces a present value equal to the proceeds of the new debt (including accrued interest) net of any premiums, discounts, underwriting spread, and issuance costs that are not recoverable through escrow account earnings. Issuance costs include all costs incurred to issue the bonds.

The economic gain or loss is the change in the sum of present values of future cash flows. If the issuance and other costs were not covered from the proceeds of new debt, then those costs should further reduce the economic gain or increase the loss on the refunding. Also note that if the new debt is issued in an amount greater than that required for the refunding, **only that portion of the new debt applicable to the refunding should be reported on the Exhibit G.**

GASB 23 requires that proprietary activities, defeasing debt through current or advance refunding, defer the difference between the reacquisition price and the net carrying amount (g-f) of the old debt and amortize that amount as interest expense over the shorter of the remaining life of the old debt or the new debt. Thus, no gain or loss is reported in the operating statement. On the statement of net assets, the deferred amount should be reported as a deduction from or an addition to the new debt liability. Note that GASB 23 applies to higher education institutions. Governmental funds that have an accounting gain or loss on refunding would not report it in the governmental funds, but they are required to defer the gain or loss in the General Full Accrual Account Group (Fund 471) and amortize it over the shorter of the remaining life of the old debt or the new debt. Governmental funds are also allowed to apply GASB 23 prospectively at the government-wide level.

EXHIBIT G
ADVANCED DEBT REFUNDING AND DEFEASANCE
DURING THE FISCAL YEAR ENDED JUNE 30, 2004

Year end balance of all in-substance defeased debt
including debt defeased in current or prior years: \$ _____

CURRENT YEAR REFUNDING OR DEFEASANCE:

	Old Debt	Escrow Deposit or New Debt
Face amount of debt or deposit	\$ _____	\$ _____
Interest rate	_____ %	_____ %
Term of debt	_____ yrs.	_____ yrs.
Sum of debt service cashflows or deposit	(a) \$ _____	(b) \$ _____
Sum of present values of debt service cash flows or deposits	(c) \$ _____	(d) \$ _____
Underwriting, insurance, and other issuance costs		
		(e) \$ _____
Change in debt service cashflows		(a-b) \$ _____
Economic gain or (loss) *(c-d-e) if additional costs were not part of bond proceeds		(c-d)* \$ _____
Carrying Value of Old Debt		(f) \$ _____
Reacquisition Price		(g) \$ _____
Indicate amount by which reacquisition price exceeded carrying value of the debt and the amortization term of the deferred gain/loss.	Term: _____	(g-f) \$ _____
Did the refunding or escrow deposit result in an in-substance defeasance?	Yes: _____	No: _____

Official Title and Description of Old Debt:

Official Title and Description of New Debt:

Note: A separate exhibit should be completed for each refunding transaction and/or addition to the in-substance defeased balance.

Prepared By: _____	Agency Name: _____
Phone Number: _____	Agency Code: _____
Email Address: _____	Date Prepared: _____

5.12 Exhibit H - Proposed Financial Statement Post closing Entry for Identified COFRS Errors Over \$1,000/\$100,000

This exhibit is required to report errors, including proposed audit adjustments, on the final COFRS reports and ledgers that exceed \$100,000 after the close of COFRS. However, the Exhibit H must also be submitted for errors over \$1,000 that would cause or prevent an overexpenditure. Do not include differences between estimated payables and other accruals and the subsequently identified actual amounts. Submit Exhibit H as soon as the error is discovered, as these exhibits will be analyzed for material impact on line items in the statewide financial statements. If you have any questions regarding the need for or the content of an Exhibit H, please contact your Field Accounting Specialist.

Due to the large number of Exhibits H processed for each year's financial statements, the following three requirements have been continued for Fiscal Year 2003-04 to improve tracking of these exhibits:

- ♦ **Each Exhibit H submitted may contain no more than a single entry.** Please note in the explanation if related entries should be considered in posting an entry.
- ♦ **All Exhibit H's should be sequentially numbered.** A space has been provided at the bottom right of the Exhibit template for the agency assigned Exhibit H number.
- ♦ **Revisions to Exhibit H must reference the agency assigned number of the original Exhibit H submitted.** Exhibit H revisions should provide the correct entry, and thus, it should replace rather than adjust the originally submitted Exhibit H. Please make it clear in the explanation on the revision the number of the originally submitted Exhibit H that is being replaced by the revision.

An Exhibit H should not be submitted for presentation differences noted on the Exhibit J Financial Statement Reconciliation (see Section 5.14 below). The Office of the State Auditor or its designee may identify other errors that were not deemed material for the agency's financial statements, and therefore, an audit adjustment was not proposed. These types of errors that exceed the Exhibit H thresholds must also be submitted to the SCO on an Exhibit H.

Provide an explanation of the proposed entry that is sufficient for audit purposes. **The explanation should be detailed enough that no prior knowledge of the conditions leading to the proposed entry is necessary.** Please explain if posting the entry will impact the supplemental appropriations process.

At the bottom of the form, the block of cells on the left is exclusively for agency use. You may provide a COFRS document reference number if you have posted an entry on the COFRS suspense file in anticipation of the proposed entry being posted to the statewide financial statements. The block on the right is primarily for State Controller's Office use. However, **it also includes a line for agencies to sequentially number their Exhibit H's** and a line for agencies preparing financial statements to record whether the Exhibit H entry is shown on the Exhibit J.

If an Exhibit H entry is approved for posting to the statewide financial statements and requires adjustment of accounting records on COFRS, your field accounting specialist will contact you in the subsequent fiscal year. Such adjustments may involve real or nominal accounts as well as adjustments to fund balance. Adjustments to COFRS for post closing entries cannot be finalized until the State Controller's Office receives the financial statement audit opinion. Thus, a time frame for posting system adjustments related to Exhibit H postclosing entries cannot be specified, however, the State Controller's Office will try to complete this process before supplemental budget requests are due.

In some instances, a post closing adjusting entry may be recorded on agency financial statements but not approved for the state's CAFR. When this occurs, the adjustment will be a reconciling item on the Exhibit J in the initial year and in the subsequent year because the entry must be posted to COFRS in the subsequent year. In the subsequent fiscal year's Exhibit J:

- ♦ The adjustment must be reported in the Adjusting/Reclassification Entries column,
- ♦ It must be clearly marked as resulting from a prior year Exhibit H, and
- ♦ A copy of the **prior year's** Exhibit H must be resubmitted with the Exhibit J.



EXHIBIT H
PROPOSED FINANCIAL STATEMENT POST-CLOSING ENTRY
FOR IDENTIFIED COFRS ERRORS OVER \$1,000/\$100,000
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

COFRS Agcy	COFRS Fund	Acct Type	BS Acct	Appr Code	Rsrc/ Objt	Account Name	Debit	Credit
---------------	---------------	--------------	------------	--------------	---------------	-----------------	-------	--------

Total: _____

Explanation: (Should be sufficient for audit purposes.)

Agency Name: _____

Email Address: _____

Phone Number: _____

Date Prepared: _____

Prepared By: _____

COFRS Document #: _____

FAST Approval: _____

R&A Approval: _____

Date Posted: _____

Agency Exhibit H Number:

FY 2004-05 Entry Req'd: (Yes/No): _____

Entry Shown on Exhibit J (Yes/No): _____

5.13 Exhibit I - Letter of Certification

This exhibit is intended to give assurance to the State Controller that agencies have properly reviewed their accounting estimates, year end account balances, COFRS financial statements (MCR01 and MCR02), and that informational disclosures necessary for statewide financial reporting have been made. In addition, the exhibit certifies that the agency has provided meaningful explanations for the variances identified in the variance analysis reports. This certification is to be signed by the department head or president of the college or university and the chief financial officer. **Due to the attest signatures required on this exhibit, it must be submitted in paper format.** List every agency for which the chief financial officer is responsible. Please explain fully any exceptions on a separate sheet.

Be careful not to confuse the Exhibit I requirement with the reporting required under the Financial Responsibility and Accountability Act (CRS 24-17-101 et. seq.). See Chapter 5, Section 6 for the Statement of Compliance that is due **December 31**.

EXHIBIT I
LETTER OF CERTIFICATION OF FINANCIAL ACCOUNTING
AND REPORTING SYSTEMS
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

The undersigned certify to the following statements regarding this agency:

1. We have reviewed the Period 13 Colorado Financial and Reporting System (COFRS) general ledger balances, and those account balances are materially correct and properly classified in accordance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board (GASB) except for adjustment and reclassification entries that have been submitted to the State Controller's Office.
2. The agency is in compliance with all applicable financial, headnote, footnote, and FTE requirements in the Long Bill.
3. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable for the circumstances.
4. No line item overexpenditures occurred or existed as of fiscal year end, and no disbursements were authorized for overexpenditures without the prior approval of the State Controller.
5. All exhibits and other supplementary information requested by the State Controller's Office in the Fiscal Procedures Manual have been submitted by the specified due dates and reconciled to COFRS ending balances.
6. We have reviewed the Variance Analysis Report distributed by the State Controller's Office and have submitted explanation for the variances identified or proposed adjusting or reclassification entries by the due date.
7. The accounting function is in compliance with the State Fiscal Rules.
8. The accounting function is staffed with adequate personnel to assure the accounting is properly carried out and timely, and sufficient monthly accruals are being made to update financial records so that management can properly analyze their financial condition and determine that the federal government and other parties owing the state are being properly billed.

Any exceptions to the above statements have been fully explained on attachments to this exhibit.

This certification is for the following agencies:

Department: _____

Agency Name(s): _____

Agency Code(s): _____

Signature: _____
Executive Director except for Higher Education

Date: _____

Signature: _____
Agency Head or President

Date: _____

Signature: _____
Chief Financial Officer

Date: _____

5.14 Exhibit J - Financial Statement Reconciliation

The Exhibit J is a schedule used by the agency or institution's accounting office, State Controller's Office (SCO), and the Office of the State Auditor (OSA) to reconcile the institution's trial balance per the State of Colorado's book of record (COFRS) to the institution's financial statements. The exhibit also informs the State Controller's Office if agencies preparing financial statements believe the COFRS accounts properly accumulate to the state's CAFR financial statement line items. The Exhibit J is also used by the State Controller as a means of complying with the statutory responsibility to examine and approve all financial statements and reports of state government before publication, CRS 24-30-201 (1)(d). **One copy of Exhibit J and the financial statements and related footnotes are to be submitted to the State Controller's Office (SCO) by August 18.**

Agencies that are required to or choose to prepare financial statements should complete this exhibit. Prepare the Exhibit J using COFRS accounting period 13 information and the financial statements you prepared for your auditors. The State Controller's Office will provide higher education institutions (and other proprietary funds upon request) a Period 13 trial balance organized by state CAFR line items in electronic format. Agencies are not required to use this electronic trial balance, but they must organize the Exhibit J by state CAFR line items if they choose to provide their own trial balance.

The instructions for this exhibit are specific to institutions of higher education; however, the format of the exhibit is applicable to those agencies operating in non-higher education funds that are required to prepare financial statements. These agencies should show their period 13 COFRS balances, adjusting entries, reclassification entries, any presentation entries, and the financial statement line item amount. If you are not using the electronic trial balance provided by the SCO, COFRS reports GNL02, GNL04 provide the needed information for the Amount column on the Exhibit J.

The Exhibit J does not eliminate the requirement that the institution reconcile COFRS to their internal systems on a monthly basis. Entries to correct reconciling items should be processed into COFRS and/or the institution's internal system on a timely basis throughout the year. If this procedure is followed it should minimize the number of adjusting and reclassification entries needed at year end.

The SCO's review of the Exhibit J ensures that the institution's financial statements reconcile with COFRS. This review also includes determining the reasonableness and proper classification of the adjusting, reclassification, and presentation entries, and ensures that the required Exhibit H's are prepared and submitted. The institution may consider the Exhibit J approved unless contacted by the SCO. If the SCO has questions or concerns with the exhibit, the institution will be contacted and additional information or changes may be requested. The SCO will review the Exhibit J by September 5 and contact agencies/institutions if necessary.

For the purpose of the Exhibit J instructions, the following definitions apply:

- ♦ Institution's financial statements means the financial statements supplied to the SCO and the institution's auditors.
- ♦ CAFR means the state's Comprehensive Annual Financial Report and implies the roll-up of funds and accounts used to compile the CAFR.

- ♦ Fund category means the grouping of either COFRS funds or institution's accounting system funds into columns for financial statement presentation. Grouping of COFRS funds into fund categories for the CAFR presentation are shown in a table in Chapter 3, Section 3.17.
- ♦ Line item means an individual title and related amounts on the CAFR or institution's financial statements and implies the roll-up of accounts appropriate to the financial statement type.

The exhibit shows the relationship between the CAFR and the institution's separately issued financial statements. At least one Exhibit J should be prepared for each CAFR fund category.

The Exhibit J is organized as follows. The left side of the exhibit consists of the COFRS trial balance aggregated to the CAFR line item level. The right side of the exhibit consists of the related totals per the institution's financial statement line items. Two columns in the center of the exhibit are for posting of adjusting, reclassifying and presentation entries. Further explanation of these section's follows.

- ♦ The left side of Exhibit J is a trial balance by COFRS account subtotaled by CAFR line item. Subtotaling at the CAFR line item level provides SCO with information on how adjusting and reclassifying entries affect the line items in fund category columns on the state's CAFR. Chapter 3 Section 4.4 contains "Financial Statement Line Item Account Grouping Tables" which show how COFRS balance sheet accounts and operating statement accounts feed into line items for the statewide financial statements. **If an institution elects not to use the trial balance provided by the SCO (as discussed above), the institution must provide the agency, fund, type, and account information that was aggregated to CAFR line items on the left side of the exhibit. This information may be supplied by additional columns or rows on the Exhibit J or by providing a separate supporting schedule to show the detail in each CAFR line item.**
- ♦ The right side of Exhibit J shows the institution's financial statement line items related to the CAFR line items on the left side of the exhibit. For the Statement of Net Assets and portions of the Statement of Revenues, Expenses, and Changes in Net Assets, there will often be a one-to-one relationship between CAFR line items and agency financial statements. However, institutions are allowed to disaggregate CAFR line item balances into additional lines on their financial statements resulting in a one-to-many relationship. Higher education has elected to present operating expenses by functional categories rather than by natural object classifications (except depreciation). While the SCO has agreed to this presentation, the Exhibit J must show how adjusting, reclassification, or presentation entries affect the CAFR line items. In addition, because the two formats (natural and functional) will not tie directly by line item, the total operating expenses per the CAFR classifications must agree to the total operating expenses presented under the functional format.
- ♦ The center section of Exhibit J consists of columns for adjusting and reclassifying entries and presentation entries. The definitions below related to adjusting, reclassifying, and presentation entries apply to both higher education fund types and non-higher education fund types.

As in FY02-03, the columns for adjusting and reclassification entries are combined into one column on the Exhibit J template. However, the following definitions have been kept separate because the distinction between adjusting and reclassification entries remains relevant to the

discussion of timing differences in posting entries to agency financial statements as compared to the state's CAFR.

ADJUSTING ENTRIES:

Adjusting entries correct both a COFRS balance sheet account and a COFRS revenue or expense/expenditure account with the net effect of changing the ending fund balance. Accordingly, adjusting entries always change the state's financial statement fund category ending fund balance and COFRS ending fund balance.

All adjusting entries made to an agency's financial statements after period 13 must be included on Exhibit J. In order for the SCO to properly analyze the cumulative effect of all adjusting entries on the CAFR, an Exhibit H must be completed for each adjusting entry on the Exhibit J which exceeds \$1,000/\$100,000 (please review Section 5.12 of these instructions for additional information on the preparation of Exhibit H). Exhibit H explains the reason the entry is needed and provides the COFRS account code information needed to determine the impact on the statewide financial statements. If the Exhibit H is determined to be material at the statewide level and is posted to the state's financial statements, the SCO will request COFRS JA documents in the subsequent year to make the accounting records agree to the audited financial statements.

In some instances, a postclosing adjusting entry may be recorded on agency financial statements but not be approved for the state's CAFR. When this occurs, the adjustment will be a reconciling item in the initial year and in the subsequent year because the entry must be posted to COFRS in the subsequent year. In the subsequent fiscal year's Exhibit J:

- ♦ The adjustment must be reported in the Adjusting/Reclassification Entries column,
- ♦ It must be clearly marked as resulting from a prior year Exhibit H, and
- ♦ A copy of the **prior year's** Exhibit H must be resubmitted with the Exhibit J.

RECLASSIFICATION ENTRIES:

Reclassification entries correct the COFRS trial balance classification of certain amounts in the Statement of Net Assets or the Statement of Revenues, Expenses, and Changes in Net Assets. **Reclassification entries change CAFR lines and may change a COFRS ending fund balance but never change the CAFR fund category ending fund balance.** Reclassification entries may change the total from one balance sheet classification to another or from one revenue/expense line to another. For example, reclassifying a credit balance in accounts receivable to accounts payable.

All reclassification entries made to an agency's financial statement after period 13 must be included on the Exhibit J. In order for the SCO to properly analyze the cumulative effect of all reclassification entries on the CAFR, an Exhibit H (Section 5.12) must be completed for each reclassification entry contained on the Exhibit J that exceeds \$1,000/\$100,000. Reclassification entries for amounts below \$100,000 or those with no budgetary impact should be avoided. Exhibit H will provide the information needed for the SCO to properly combine like entries, calculate the cumulative effect, and determine if an adjustment needs to be made to the CAFR. If the Exhibit H is determined to be material at the statewide level and is posted to the state's financial statements, the SCO will request COFRS JA documents in the subsequent year to make the balance sheet accounts agree to the audited financial statements.

Balance sheet reclassification entries made to an agency's financial statements, but not posted to the state's CAFR, must be posted to COFRS in the subsequent year. Nominal account reclassifications should not be posted to COFRS in the subsequent year.

Each institution should make every effort throughout the year to reconcile their system to COFRS and process timely corrections to minimize the need for adjusting and/or reclassifying entries at year end.

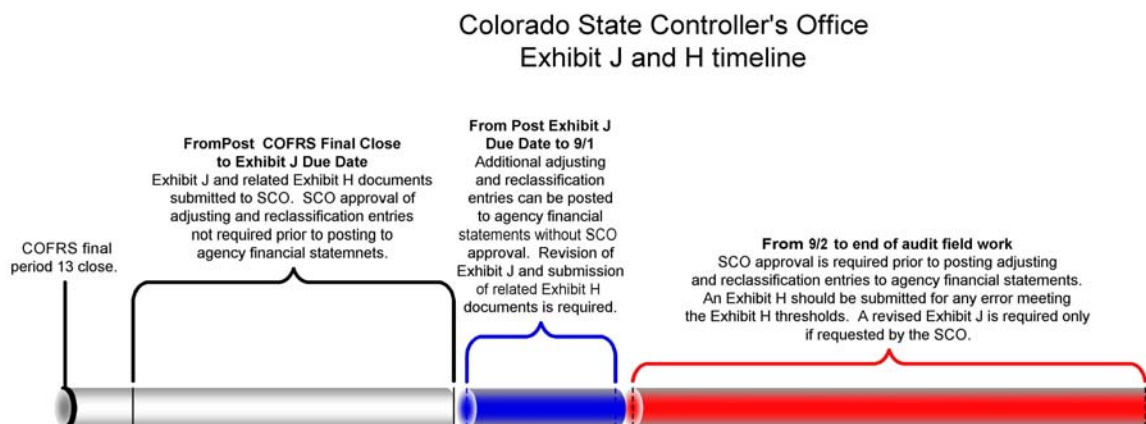
YEAR END TREATMENT of ADJUSTING and RECLASIFICATION ENTRIES:

In order to ensure the SCO has sufficient time to prepare the state's basic financial statements and CAFR, the following schedule will be used regarding adjusting and reclassification entries:

- ♦ Subsequent to July 30 (period 13 close) and prior to August 18 (Exhibit J due date) agencies and higher education institutions are allowed to make adjusting and reclassification entries to their separately issued financial statements without the approval of the SCO. As stated above, these entries must be included on the Exhibit J and an Exhibit H (Section 5.12) must be submitted to the SCO.
- ♦ Subsequent to August 18 and prior to September 2, agencies can make additional material adjusting and reclassification entries to their financial statements without the approval of the SCO. It is expected that entries made during this time period will only involve amounts that equal or exceed the Exhibit H thresholds or are material to the institution's financial statements. A revised Exhibit J and the related Exhibit H's (Section 5.12) should be submitted to the SCO by September 2.
- ♦ Subsequent to September 1 adjusting and reclassification entries are considered proposed audit adjustments and require the approval of the SCO prior to being posted to the agencies' or higher education institutions' financial statements. In general, proposed entries below \$100,000 with no budgetary impact will not be approved by the SCO. If the proposed entry is greater than \$1,000/\$100,000, the agency or institution should submit an Exhibit H (Section 5.12) to the SCO as soon as possible. Proposed entries below \$100,000 that do not have a budgetary impact should be discussed with the SCO prior to submitting an Exhibit H. A revised Exhibit J is not required for proposed audit adjustments unless requested by the SCO.

The institution should always consider the materiality of any adjusting and reclassification entries.

The following timeline illustrates the various dates discussed above.



PRESENTATION ENTRIES:

Presentation entries adjust account balances that are reported on a different financial statement line item for the State of Colorado than for the institution. These entries do not require the approval of SCO. **The key to identifying a presentation entry is that the account balance(s) is properly recorded on COFRS for the State of Colorado's CAFR.** However, because the institution is issuing separate financial statements the account balance(s) must be presented differently. An example of a presentation entry is the recording of state appropriated general fund revenue. On the financial statements for the State of Colorado this is shown as "Operating Transfers-In." On the separately issued financial statements for the institutions it is shown as "State Appropriations." If the SCO determines as part of the review of the Exhibit J that an agency or higher education institution has made a presentation entry that is in fact an adjusting or reclassification entry, the agency or institution will be contacted and requested to revise the Exhibit J and submit a corresponding Exhibit H (Section 5.12).

Following is a listing of the acceptable **PRESENTATION** entries. Other items that the institution believes are presentation entries should be discussed with SCO **prior** to submitting the exhibit.

- ♦ Changing the presentation of transfers of state appropriation (COFRS transfer codes ABGF and ABGH) between the University of Colorado at Denver, Metropolitan State College of Denver, the Community College of Denver and the Auraria Higher Education Center.
- ♦ Changing the presentation of transfers of state appropriation (COFRS transfer code EQGB) from an operating transfer to non-operating revenue.
- ♦ Changing the presentation of transfers of state appropriated student financial aid awards from CCHE to the institutions (COFRS transfer codes ELGB) from an operating transfer to grant and contract revenue.
- ♦ Eliminating offsetting intrafund receivables and payables between institutions of the same board.
- ♦ Combining immaterial amounts from one CAFR line into another CAFR line in a like financial statement category (see Chapter 3, Section 4 for CAFR classifications).
- ♦ Disaggregating private, state and local grants and contracts from other operating revenue to aggregating with federal grants and contracts operating revenue on institutional financial statements.
- ♦ Changing the presentation for Higher Education institutions moving payments to CCHE for statewide indirect cost assessment (COFRS transfer codes EYGA) from non-operating transfers to other operating expense (institutional support).
- ♦ Eliminating revenue and related expense of internal service fund activity (COFRS fund 328).
- ♦ Disaggregating a State CAFR financial statement line into more detailed lines within the same financial statement classification for presentation on the institutions financial statement (see Chapter 3, Section 4 for CAFR classifications).
- ♦ Eliminating CAFR line items that are parenthetical disclosures on the institutions financial statements, such as scholarship allowances.

AUDIT ADJUSTMENTS:

As a result of the audit process, the Office of the State Auditor or its designee may require entries to an agency or institution's financial statements in order to issue an unqualified opinion. These entries should be submitted to SCO on the Exhibit H (Section 5.12). As stated above, **all** adjusting or reclassification entries identified by either the auditors or the agency after September 1 are considered to be audit adjustments. **These entries require the approval of the State Controller prior to posting to the institution's financial statements.** Unless requested by the SCO, a revision of the Exhibit J does not need to be submitted for audit adjustments. In addition, the Office of the State Auditor or its designee may identify other errors that were not deemed

material for financial statement adjustment purposes, and therefore, an audit adjustment was not proposed. These types of errors that exceed the Exhibit H thresholds must also be submitted to the SCO on an Exhibit H.

EXHIBIT J
FINANCIAL STATEMENT RECONCILIATION FORMAI
JUNE 30, 2004

CAFR Financial Statement Line Item Title	Amount	Adjusting & Reclass Entries	Adjusting & Reclass Ref #	Presentation Entries	Present Ref #	Subtotal Dr/Cr	Agency Financial Statement Totals	Agency Financial Statement Line Item Title
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Column Subtotals

This exhibit is required from agencies issuing financial statements other than those produced by COFRS.

- Notes: (1) CAFR balance must agree with COFRS trial balance at the close of Period 13.
(2) Exhibit H forms must be submitted to explain all adjusting and reclassification entries over \$1,000/\$100,000.
(3) Agency financial statement totals must tie directly to line items in the accompanying agency financial statements.
(4) Account detail if shown should be grouped and subtotaled according to the "Financial Statement Line Item Account Grouping" tables in Chapter 3, Section 4.4.
(5) Each adjusting, reclassification, or presentation entry should carry a cross reference number to where the entry is explained.

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.15 Exhibit K - Schedule of Federal Assistance

This exhibit is required for preparing the Statewide Schedule of Expenditures of Federal Awards, which is reviewed by the state auditor in the statewide single audit. That schedule provides a listing of federal assistance by Catalog of Federal Domestic Assistance (CFDA) number or other identifying number. The same data are used in preparing the Report of Federal Monies required by CRS 24-75-212 for submission to the General Assembly by November 1 each year. The exhibit format is based on the reporting requirements in Section __.310(b) of OMB Circular A-133 and agreement with the Office of the State Auditor.

Include on Exhibit K awards you receive directly from federal agencies and awards you receive from other entities as a subrecipient. Subrecipient awards are of two types, that is, awards received from other state agencies and awards received from non-state entities. Those received from state agencies would normally have revenue source codes of 7501 through 7523 and 7530 and are not reported on the Exhibit K. Those received from non-state entities would normally have revenue source code of 7500 and must be reported on the Exhibit K. Both direct and subrecipient awards must be reported by CFDA number – if one has been assigned by the federal agency administering the original award – unless the award is for research and development as discussed below.

In some instances, state agencies receive federal funds from non-state entities – a portion of which the non-state entity may have received from a State of Colorado agency. When this occurs the receipt and related expenditures should be shown on the Exhibit K unless either of the two following conditions is met:

1. The funds received from the non-state entity are received by the state in its capacity as a vendor. Examples of the vendor relationship are rent receipts for space the state provided or payments for services that the state provided for which the state is not responsible for carrying out the requirements related to the federal funds. See Chapter 1 Section 3.5 for more about determining if a relationship is vendor or subrecipient in nature.
2. The non-state entity can identify for you the portion of your receipt that came from a State of Colorado agency. Do not include this portion on your Exhibit K.

While the balances reported on Exhibit K are not required to tie directly to COFRS account balances, it is important that you be able to reconcile the federal balances shown on this exhibit to COFRS. Beginning balances should equal the ending balance shown on the prior year exhibit. Any differences between prior year ending and current year beginning balances must be explained in detail. For agencies using the COFRS grants module, the GPP01R report is a good source of expenditure amounts for this exhibit.

In compiling this exhibit, please be certain to include all amounts related to federal awards regardless of the method of payment or the fund used to account for the activity. The Single Audit Act of 1984 (Amended 1996) defines federal financial assistance:

‘Federal financial assistance’ means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, donated surplus property, food commodities, direct appropriations, or other assistance, but does not include amounts received as reimbursement for services rendered to individuals in accordance with guidance issued by the Director (of the Office of Management and Budget).

The Single Audit Act of 1984 (Amended 1996) defines subrecipient:

‘Subrecipient’ means a non-Federal entity that receives Federal awards through another nonfederal entity to carry out a Federal program, but does not include an individual who receives financial assistance through such awards.’

Section __.210 of OMB A-133 provides additional directives on determining the difference between subrecipients and vendors.

The following four paragraphs apply specifically to higher education institutions, but they may also apply to other state agencies. Include on Exhibit K all direct and non-direct federal financial assistance. It should show all federally financed student aid, including Perkins funds. In order to ensure that only the federal portions of loan programs are shown in the statewide schedule, institutions should include only the new federal capital contribution of their loan fund activity on the Exhibit K. You should show this amount as federal receipts and the same amount as a direct expenditure. **Therefore, both the beginning and ending Due From or Advanced By Federal Sources should be zero.** The following noncomprehensive list of CFDA numbers cites the federal programs that have been identified as loan funds:

- 84.037 - Federal Perkins Loan Cancellations
- 84.038 - Federal Perkins Loan Program - Federal Capital Contribution
- 84.268 - Federal Direct Loan
- 93.139 - Financial Assistance for Disadvantaged Health Professions
- 93.342 - Health Profession Student Loans Including Loans for Disadvantaged Students
- 93.364 - Nursing Student Loans

Do not include on the Exhibit K amounts for the Federal Family Education Loans (CFDA #84.032) that are guaranteed and reported by the Colorado Student Loan Program (CSLP) because those amounts will be shown on CSLP’s Exhibit K. However, if students at your institution receive FFEL assistance (including Stafford and Plus loans) from entities external to the State of Colorado, include those amounts on the Exhibit K.

Please be certain to include all amounts related to federal funds regardless of the method of payment or the fund used to account for the activity. For example, checks received from the federal government for Pell administrative fees and recorded in the 31X and 32X funds should be included on the Exhibit K in the receipts and indirect expenditures column.

A-133 allows clustering of certain programs for reporting on the Schedule of Expenditures of Federal Awards. Awards related to research and development are one instance of the allowed clustering. When reporting research and development awards, institutions should enter “R&D” in the **Federal Program Name** field whether or not the CFDA number is provided. If a valid CFDA number is not provided, then the SCO Assigned Fed Org Code or Federal Agency Name must be provided. This information will allow Reporting & Analysis to classify research and development by federal awarding agency as required by A-133.

SPECIFIC INSTRUCTIONS:

Agencies are encouraged to send the Exhibit K data to the SCO in Microsoft Excel or other electronic spreadsheet format. The following are descriptions of the exhibit fields by footnote reference on the form:

- A) Employer Identification Number – This is a required field; please list the EIN number associated with the grant. Exclude any dashes. The EIN number is the nine-digit Taxpayer Identification Number assigned by the Internal Revenue Service (IRS). The state's principal EIN # is 840644739; however, agencies that do federal grant reporting under a different EIN number should enter the EIN number under which they do the grant reporting. If you fail to match the Exhibit K EIN number to the grant reporting EIN number, the federal audit clearinghouse will not be able to provide federal agencies with the A-133 audit report that demonstrates compliance with grant requirements.
- B) Federal Agency Name – This is a required field if neither a valid CFDA number nor an SCO Assigned Fed Org Code is provided. Enter the name of the federal sub-org (institute, bureau, etc.) administering the program followed by the oversight level federal department. For example, Bureau of Alcohol, Tobacco and Firearms – Department of Justice.
- C) SCO Assigned Fed Org Code – This is a required field if the CFDA number is not provided and the SCO has pre-assigned this code to the federal program being reported. See the table on page 162 for the available codes.
- D) Federal Program Name – This field is required under two circumstances. First, higher education institutions should always enter "R&D" in this field for research and development awards even if a CFDA number is provided. Second, for all other awards for which a CFDA number is not provided, the program name should be entered as it appears in the award document.
- E) CFDA Number – These are program codes that are listed in the Catalog of Federal Domestic Assistance (CFDA) published by the General Services Administration. The CFDA is available on the Internet at the following address:
<http://12.46.245.173/cfda/cfda.html>. Some programs may not have been assigned a CFDA number. If no CFDA number is assigned, then complete the columns Federal Program Name, Other Identifying Number, and SCO Assigned Fed Org Code or Federal Agency Name.
- F) Non-Federal Pass-through Entity – This is a required field in all instances of subrecipient Federal funds from an external entity. Enter the name of the pass-through entity. Do not report funds received from other State of Colorado agencies.
- G) Other Identifying Number – This is a required field under two circumstances. First, for subrecipient awards, enter the contract, award, or other identifying number assigned by the external pass-through entity. Second, in all instances when a CFDA number has not been assigned, enter the contract, award, or other program number. Do not use COFRS numbers in this field. This number is used to assist federal personnel in tracking these awards back to the original program source.
- H) Beginning Due-From or Advanced By Federal Sources – This balance should equal the prior year ending balance of the audited Schedule of Expenditures of Federal Awards. Deferred Revenue and Advanced By Federal Sources balances should be shown in brackets.

I) Receipts

Direct – Show the funds received directly from a Federal agency. Show the normal balance for receipts as positive numbers unbracketed.

Subrecipient – These are subrecipient funds received from entities other than State of Colorado agencies. If there is an amount in this field then columns E), F), and G) should also be completed. Show the normal balance for receipts as positive numbers unbracketed.

Noncash – Except for food stamps and commodities – which are expended when distributed – receipts for noncash assistance should be recognized on this schedule at the same time and in the same amount as the related expenditures for such assistance in accordance with Section __.205 of Circular A-133. The noncash expenditure should be shown as an expenditure in J) and should not be combined with cash assistance. This requires noncash assistance to be on a line separate from cash assistance. Show the normal balance for receipts as positive numbers unbracketed.

J) Expenditures

Direct – These are amounts expended for the direct costs of Federal programs. Show the normal balance for expenditures as positive numbers unbracketed. When Section __.205 of Circular A-133 requires you to report expenditures for which there will be no cash receipt (such as, reporting outstanding loan balances) be sure to report an equal amount of noncash receipts in I.

Indirect – These are amounts expended for the indirect costs of Federal programs. This distinction is not required by A-133 but is needed to comply with state reporting requirements. Show the normal balance for expenditures as positive numbers unbracketed.

Pass-through – These are federal funds passed-through to an external entity (outside Colorado state government). These amounts should not duplicate amounts shown in Direct Expenditures or Indirect Expenditures. Show the normal balance for expenditures as positive numbers unbracketed.

- K) Ending Due-From or Advanced By Federal Sources – This amount should equal beginning balance minus receipts plus expenditures (+H -I +J). Deferred revenue and Advanced By Federal Sources balances should be shown in brackets.

Any questions about these instructions or our interpretation of A-133 requirements should be directed to Karoline Clark at 303-866-3811 or David McDermott at 303-866-2739.

EXHIBIT K
SCHEDULE OF FEDERAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2004

Employer ID Number ^(A)	Federal Agency Name ^(B)	SCO Assigned Fed Org Code ^(C)	Federal Program Name ^(D)	CFDA Number ^(E)	Non-Federal Pass-Through Entity ^(F)	Other Identifying Number ^(G)	Due-From or ^(H) (Advanced By) Fed Sources 6/30/03		Receipts ^(I)		Due-From or ^(K) (Advanced By) Fed Sources 6/30/04			
							Direct	Subrecipient	Non-Cash	Expenditures ^(J)		Direct	Indirect	Pass-Thru

Totals

^(A)Please provide the employer identification number associated with each grant

^(B)If SCO Assigned Org Code or CFDA Number is not provided in (C) or (E) then Federal Agency Name must be provided in (B).

^(C)If CFDA Number is not provided in (E) then SCO Assigned Federal Org Code should be provided in (C). See the table following this exhibit for a list of codes.

^(D)If CFDA Number is not provided in (E) then Federal Program Name must be provided in (D). Enter "R&D" if activity is related to research and development

^(E)CFDA Number should always be provided if assigned.

^(F)For funds received as a subrecipient provide CFDA Number, Non-Federal Pass-Through Entity Name, Other Identifying Number (assigned by Pass-Through Entity) in (E) (F) and (G), and related balances in (H) through (K)

^(G)Provide Other Identifying Number in (G) if CFDA Number in (E) is not assigned or if you received funds as a subrecipient (use number assigned by entity giving you the funds.)

^(H)This should equal the beginning balance of amounts receivable from or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.

^(I)Refer to the attached instructions for determining Federal receipts (show the normal balance as positive number with no brackets).

^(J)Refer to the attached instructions for determining Federal awards expended.

^(K)This should equal the ending balance of amounts receivable from or advanced by federal sources. Agencies use various balance sheet accounts to track these balances.

Note: Column widths were set to accommodate letter sized paper; expand column widths as necessary to match the data elements entered

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.16 State Controller's Office Assigned Federal Org Codes (SCO Assigned Fed Org Codes)

The following table provides a listing of codes assigned to federal agencies by the State Controller's Office. These codes are to be used on the Exhibit K when a valid CFDA number has not been assigned; this code will specify the federal agency originating a federal award. This table will be updated on an annual basis from the Catalog of Federal Domestic Assistance (CFDA) and from federal agencies identified on the Exhibit K that are not listed in the CFDA.

The information contained in the following table is the most current information available at the time of printing of the Fiscal Procedures Manual. Any updates before year end will be posted on the SCO web site.

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
01.ADF	AFRICAN DEVELOPMENT FOUNDATION
01.ADF	AFRICAN DEVELOPMENT FOUNDATION
02.AID	AGENCY FOR INTERNATIONAL DEVELOPMENT
04.IAF	INTER-AMERICAN FOUNDATION
07.ONDCP	OFFICE OF NATIONAL DRUG CONTROL POLICY
08.PC	PEACE CORPS
09.LSC	LEGAL SERVICES CORPORATION
10.AARC	ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION (AARC) CENTER, DEPARTMENT OF AGRICULTURE
10.AMS	AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE
10.APHIS	ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE
10.ARS	AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE
10.ASAOO	DEPARTMENT OF AGRICULTURE, ASSISTANT SECRETARY FOR ADMINISTRATION, OFFICE OF OUTREACH
10.CCC	COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE
10.CSREE	COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE
10.DOA	DEPARTMENT OF AGRICULTURE
10.ERS	ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE
10.FAS	FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE
10.FCS	FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE
10.FNS	FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE
10.FS	FOREST SERVICE, DEPARTMENT OF AGRICULTURE
10.FSA	FARM SERVICE AGENCY, DEPARTMENT OF AGRICULTURE
10.FSIS	FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE
10.GI	GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION, DEPARTMENT OF AGRICULTURE
10.NASS	NATIONAL AGRICULTURAL STATISTICS SERVICE, DEPARTMENT OF AGRICULTURE
10.NRCS	NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE
10.NSHIC	NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER, DEPARTMENT OF AGRICULTURE
10.OCD	OFFICE OF COMMUNITY DEVELOPMENT, DEPARTMENT OF AGRICULTURE
10.OCRE	OFFICE OF CIVIL RIGHTS ENFORCEMENT, DEPARTMENT OF AGRICULTURE
10.RBCS	RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE
10.RBCSQ	RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE
10.RHS	RURAL HOUSING SERVICE (RHS), DEPARTMENT OF AGRICULTURE
10.RMA	RISK MANAGEMENT AGENCY, DEPARTMENT OF AGRICULTURE
10.RUS	RURAL UTILITIES SERVICE, DEPARTMENT OF AGRICULTURE
11.BC	BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE
11.BEA	BUREAU OF ECONOMIC ANALYSIS, ECONOMICS AND STATISTICS ADMINISTRATION, DEPARTMENT OF COMMERCE
11.BOEI	BUREAU OF EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE
11.DOC	DEPARTMENT OF COMMERCE
11.EDA	ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
11.ITA	INTERNATIONAL TRADE ADMINISTRATION, DEPARTMENT OF COMMERCE
11.MDBA	MINORITY BUSINESS DEVELOPMENT AGENCY, DEPARTMENT OF COMMERCE
11.NIST	NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE
11.NMFS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE
11.NOAA	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE
11.NODC	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL OCEANOGRAPHIC DATA CENTER, DEPARTMENT OF COMMERCE
11.NOS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA), NATIONAL OCEAN SERVICE (NOS), DEPARTMENT OF COMMERCE
11.NTIA	NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE
11.NTIS	NATIONAL TECHNICAL INFORMATION SERVICE, DEPARTMENT OF COMMERCE
11.NWS	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE
11.OFA	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA), OFFICE OF FINANCE AND ADMINISTRATION (OFA), DEPARTMENT OF COMMERCE
11.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF COMMERCE
11.PTO	U.S. PATENT AND TRADEMARK OFFICE, DEPARTMENT OF COMMERCE
11.SU	STAT-USA, ECONOMICS AND STATISTICS ADMINISTRATION, DEPARTMENT OF COMMERCE
12.AATD	AVIATION APPLIED TECHNOLOGY DIRECTORATE (AATD), AVIATION AND TROOP COMMAND (ATCOM), DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE
12.AFOSR	AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE
12.ANGB	DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE
12.ARMCMC	DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE
12.DANTES	DEFENSE ACTIVITY FOR NONTRADITIONAL EDUCATION SUPPORT
12.DARPA	DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE
12.DLA	DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE
12.DOD	DEPARTMENT OF DEFENSE
12.NGB	NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE
12.NSA	NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE
12.NSWC	DAHLGREN DIVISION, NAVAL SURFACE WARFARE CENTER, DEPARTMENT OF THE NAVY
12.OASES	OFFICE OF THE SECRETARY OF DEFENSE, OFFICE OF THE ASSISTANT SECRETARY (ECONOMIC SECURITY), DEPARTMENT OF DEFENSE
12.OCE	OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE
12.OEA	OFFICE OF ECONOMIC ADJUSTMENT, DEPUTY UNDER SECRETARY OF DEFENSE (DUSD), INDUSTRIAL AFFAIRS AND INSTALLATIONS, DEPARTMENT OF DEFENSE
12.ONR	OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY
12.OSD	OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE
12.SOMD	SECRETARIES OF MILITARY DEPARTMENTS, DEPARTMENT OF DEFENSE
12.SR	OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE, STRATEGY AND REQUIREMENTS, DEPARTMENT OF DEFENSE
12.USRO	U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND
1234567890	UNCLASSIFIED FEDERAL AGENCY
14.CPD	COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.DHUD	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.H	HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.MAMD	MULTIFAMILY ASSET MANAGEMENT AND DISPOSITION, OFFICE OF HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OFHEO	OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OHOMH	OFFICE OF HOUSING, OFFICE OF MULTIFAMILY HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OISFH	OFFICE OF INSURED SINGLE FAMILY HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OLHO	OFFICE OF LEAD HAZARD CONTROL, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
14.OMHAR	OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING (OMHAR), DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.ONAP	OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.OPDR	OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.PIH	PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.PIHLG	PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, OFFICE OF LOAN GUARANTEE, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.PIHO	PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
15.BIA	BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR
15.BLM	BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR
15.BOR	BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR
15.BR	BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR
15.DOI	DEPARTMENT OF THE INTERIOR
15.GS	GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR
15.IACB	INDIAN ARTS AND CRAFTS BOARD, DEPARTMENT OF THE INTERIOR
15.MM	MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR
15.NPS	NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR
15.OIA	OFFICE OF INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR
15.OSMRE	OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR
15.USFWS	U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR
15.USGS	U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR
16.BJA	BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.BJS	BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE
16.CPO	CORRECTIONS PROGRAM OFFICE, DEPARTMENT OF JUSTICE
16.CPOJP	CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.CRD	CIVIL RIGHTS DIVISION, DEPARTMENT OF JUSTICE
16.CRS	COMMUNITY RELATIONS SERVICE, DEPARTMENT OF JUSTICE
16.CSCRD	CRIMINAL SECTION, CIVIL RIGHTS DIVISION, DEPARTMENT OF JUSTICE
16.DEA	DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE
16.EOWS	EXECUTIVE OFFICE FOR WEED AND SEED, DEPARTMENT OF JUSTICE
16.FBI	FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE
16.J	DEPARTMENT OF JUSTICE
16.NIC	NATIONAL INSTITUTE OF CORRECTIONS, DEPARTMENT OF JUSTICE
16.NICPS	NATIONAL INSTITUTE OF CORRECTIONS, FEDERAL PRISONS SYSTEM, DEPARTMENT OF JUSTICE
16.NIJ	NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE
16.NIJJP	NATIONAL INSTITUTE OF JUSTICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.OCOPS	OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE
16.OJJD	OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE
16.OJP	OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE
16.OJPBJS	OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE
16.OJPDP	OFFICE OF JUSTICE PROGRAMS, OFFICE FOR STATE AND LOCAL DOMESTIC PREPAREDNESS SUPPORT, DEPARTMENT OF JUSTICE
16.OJPJA	OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE
16.OJPVC	OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE
16.OJPVW	OFFICE OF JUSTICE PROGRAMS, VIOLENCE AGAINST WOMEN OFFICE, DEPARTMENT OF JUSTICE
16.OPCL	OFFICE OF THE POLICE CORPS AND LAW ENFORCEMENT EDUCATION, DEPARTMENT OF JUSTICE
16.OSCI	OFFICE OF SPECIAL COUNSEL FOR IMMIGRATION RELATED UNFAIR EMPLOYMENT PRACTICES, DEPARTMENT OF JUSTICE
16.OVC	OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE
17.BLS	BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR
17.DOL	DEPARTMENT OF LABOR
17.ESA	EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR
17.ETA	EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR
17.MSHA	MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR
17.ODEP	OFFICE OF DISABILITY EMPLOYMENT POLICY, DEPARTMENT OF LABOR
17.OLMS	OFFICE OF LABOR-MANAGEMENT STANDARDS, EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
17.OSHA	OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR
17.OWCP	OFFICE OF WORKERS' COMPENSATION PROGRAMS, EMPLOYMENT STANDARDS ADMINISTRATION, DEPARTMENT OF LABOR
17.PWBA	PENSION AND WELFARE BENEFITS ADMINISTRATION, DEPARTMENT OF LABOR
17.VET	OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR
17.WB	WOMEN'S BUREAU, OFFICE OF THE SECRETARY, DEPARTMENT OF LABOR
19.AID	AGENCY FOR INTERNATIONAL DEVELOPMENT, DEPARTMENT OF STATE
19.BEC	BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE
19.BIR	BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE
19.BP	BUREAU OF PERSONNEL, DEPARTMENT OF STATE
19.DOS	DEPARTMENT OF STATE
19.OLA	OFFICE OF THE LEGAL ADVISER, DEPARTMENT OF STATE
19.OMC	OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE
20.BTS	BUREAU OF TRANSPORTATION STATISTICS, DEPARTMENT OF TRANSPORTATION
20.DOT	DEPARTMENT OF TRANSPORTATION
20.FAA	FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FHWA	FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FRA	FEDERAL RAILROAD ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.FTA	FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.MA	MARITIME ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.NHI	NATIONAL HIGHWAY INSTITUTE, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.NHTFHA	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.NHTSA	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
20.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION
20.RSPA	RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION
21.BATF	BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY
21.CS	U.S. CUSTOMS SERVICES, DEPARTMENT OF THE TREASURY
21.DOT	DEPARTMENT OF TREASURY
21.IRS	INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY
21.USDF	UNDER SECRETARY FOR DOMESTIC FINANCE, DEPARTMENT OF TREASURY
23.ARC	APPALACHIAN REGIONAL COMMISSION
27.OPM	OFFICE OF PERSONNEL MANAGEMENT
29.CCR	COMMISSION ON CIVIL RIGHTS
30.EEOC	EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
32.FCC	FEDERAL COMMUNICATIONS COMMISSION
33.FMC	FEDERAL MARITIME COMMISSION
34.FMCS	FEDERAL MEDIATION AND CONCILIATION SERVICE
36.FTC	FEDERAL TRADE COMMISSION
39.GSA	GENERAL SERVICES ADMINISTRATION
40.GPO	U.S. GOVERNMENT PRINTING OFFICE
42.LOC	LIBRARY OF CONGRESS
43.NASA	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
44.NCUA	NATIONAL CREDIT UNION ADMINISTRATION
45.FCAH	FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.IMLS	INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NEA	NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NEH	NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
45.NFAH	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES
46.NLRB	NATIONAL LABOR RELATIONS BOARD
47.NSF	NATIONAL SCIENCE FOUNDATION
53.CEPD	PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
57.RRB	RAILROAD RETIREMENT BOARD
58.SEC	SECURITIES AND EXCHANGE COMMISSION
59.SBA	SMALL BUSINESS ADMINISTRATION
60.S	SMITHSONIAN INSTITUTE
61.ITC	U.S. INTERNATIONAL TRADE COMMISSION
62.TVA	TENNESSEE VALLEY AUTHORITY
64.DVA	DEPARTMENT OF VETERANS AFFAIRS
64.NCS	NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS
64.VBA	VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS
64.VHA	VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS
66.AIEO	AMERICAN INDIAN ENVIRONMENTAL OFFICE, ENVIRONMENTAL PROTECTION AGENCY
66.EED	ENVIRONMENTAL EDUCATION DIVISION, ENVIRONMENTAL PROTECTION AGENCY
66.EPA	ENVIRONMENTAL PROTECTION AGENCY
66.OA	OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY
66.OAOPEI	OFFICE OF THE ADMINISTRATOR, OFFICE OF POLICY ECONOMICS, AND INNOVATION, ENVIRONMENTAL PROTECTION AGENCY
66.OAR	OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY
66.OARM	OFFICE OF ADMINISTRATION AND RESOURCES MANAGEMENT, ENVIRONMENTAL PROTECTION AGENCY
66.OBCR	OFFICE OF BROWNFIELDS CLEANUP AND REDEVELOPMENT, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY
66.OCA	OFFICE OF COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY
66.OECA	OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY
66.OEE	OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY
66.OEJ	OFFICE OF ENVIRONMENTAL JUSTICE, ENVIRONMENTAL PROTECTION AGENCY
66.ODG	OFFICE OF GRANTS AND DEBARMENT, ENVIRONMENTAL PROTECTION AGENCY
66.OGWD	OFFICE OF GROUND WATER AND DRINKING WATER, ENVIRONMENTAL PROTECTION AGENCY
66.OIA	OFFICE OF INTERNATIONAL AFFAIRS, ENVIRONMENTAL PROTECTION AGENCY
66.OPPT	OFFICE OF POLLUTION AND PREVENTION AND TOXICS, ENVIRONMENTAL PROTECTION AGENCY
66.OPPTS	OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY
66.ORD	OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY
66.OSW	OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY
66.OSWER	OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY
66.OSWUST	OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, OFFICE OF UNDERGROUND STORAGE TANKS, ENVIRONMENTAL PROTECTION AGENCY
66.OW	OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY
66.OWCBP	OFFICE OF WATER, CHESAPEAKE BAY PROGRAM OFFICE (CBPO), REGION III, ENVIRONMENTAL PROTECTION AGENCY
66.OWGL	OFFICE OF WATER, GREAT LAKES NATIONAL PROGRAM OFFICE, ENVIRONMENTAL PROTECTION AGENCY
66.OWGMPO	OFFICE OF WATER, GULF OF MEXICO PROGRAM OFFICE (GMPO), REGION IV, ENVIRONMENTAL PROTECTION AGENCY
68.NGA	NATIONAL GALLERY OF ART
70.OPIC	OVERSEAS PRIVATE INVESTMENT CORPORATION
72.CNCS	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
77.NRC	NUCLEAR REGULATORY COMMISSION
77.OIRM	OFFICE OF INFORMATION RESOURCES MANAGEMENT, NUCLEAR REGULATORY COMMISSION
77.ONRR	OFFICE OF NUCLEAR REGULATORY RESEARCH, NUCLEAR REGULATORY COMMISSION
77.OSP	OFFICE OF STATE PROGRAMS, NUCLEAR REGULATORY COMMISSION
78.CFTC	COMMODITY FUTURES TRADING COMMISSION
81.EIA	ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY
81.CRWM	CIVILIAN RADIOACTIVE WASTE MANAGEMENT, DEPARTMENT OF ENERGY
81.DOE	DEPARTMENT OF ENERGY
81.EM	ENVIRONMENTAL MANAGEMENT, OFFICE OF MANAGEMENT AND EVALUATION, DEPARTMENT OF ENERGY
81.ODP	OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY
81.OEECR	OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY
81.OEERE	OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY
81.OEM	OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
81.OEMSH	OFFICE OF ENVIRONMENT, SAFETY AND HEALTH, DEPARTMENT OF ENERGY
81.OER	OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY
81.OFE	OFFICE OF FOSSIL ENERGY, DEPARTMENT OF ENERGY
81.OGC	OFFICE OF GENERAL COUNSEL, DEPARTMENT OF ENERGY
81.OMEI	OFFICE OF MINORITY ECONOMIC IMPACT, OFFICE OF ECONOMIC IMPACT AND DIVERSITY, DEPARTMENT OF ENERGY
81.ONEST	OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY, DEPARTMENT OF ENERGY
81.ONNS	OFFICE OF NONPROLIFERATION AND NATIONAL SECURITY, DEPARTMENT OF ENERGY
81.OP	OFFICE OF POLICY, DEPARTMENT OF ENERGY
81.OSETI	OFFICE OF SCIENCE EDUCATION AND TECHNICAL INFORMATION, DEPARTMENT OF ENERGY
81.RFETS	ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, OFFICE OF CIVIL RIGHTS AND DIVERSITY MANAGEMENT, DEPARTMENT OF ENERGY
82.USIA	UNITED STATES INFORMATION AGENCY
83.FEMA	FEDERAL EMERGENCY MANAGEMENT AGENCY
83.MD	MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY
83.PTED	PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY
83.RRD	RESPONSE AND RECOVERY DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY
84.BEML	OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION
84.CPCFO	CONTRACTS AND PURCHASING, OFFICE OF THE CHIEF FINANCIAL OFFICER, DEPARTMENT OF EDUCATION
84.DBEML	OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION
84.DOE	DEPARTMENT OF EDUCATION
84.ERI	OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.ERSI	ASSISTANT SECRETARY FOR EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.ESE	OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.HRA	OFFICE OF THE DEPUTY UNDER SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION, DEPARTMENT OF EDUCATION
84.NIL	NATIONAL INSTITUTE FOR LITERACY, DEPARTMENT OF EDUCATION
84.OELA	OFFICE OF ENGLISH LANGUAGE ACQUISITION; DEPARTMENT OF EDUCATION
84.OERI	OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION
84.OESE	OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.OPE	OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.OS	OFFICE OF THE SECRETARY
84.OSFAP	OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS, DEPARTMENT OF EDUCATION
84.SERS	OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION
84.SPE	OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION
84.SSER	OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION
84.SVAE	OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION
84.VAE	OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION
85.BGS	BARRY M. GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION
85.CCFF	CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION
85.HTSF	HARRY S TRUMAN SCHOLARSHIP FOUNDATION
85.JMMF	JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION
85.MUS	THE MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION
85.WWIC	THE WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
86.ATB	ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD
86.PBGO	PENSION BENEFIT GUARANTY CORPORATION

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
89.NARA	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
90.DC	DENALI COMMISSION
91.USIP	UNITED STATES INSTITUTE OF PEACE
92.NCD	NATIONAL COUNCIL ON DISABILITY
93.ACF	ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ACFAC	ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.AHCPR	AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.AOA	ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BHP	BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BHRD	BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.BPHC	BUREAU OF PRIMARY HEALTH CARE, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CDCP	CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CMHS	CENTER FOR MENTAL HEALTH SERVICES (CMHS), DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CSAP	CENTER FOR SUBSTANCE ABUSE PREVENTION (CSAP), DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.CSAT	CENTER FOR SUBSTANCE ABUSE TREATMENT (CSAT), DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.DHHS	DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.FDA	FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.FYSB	FAMILY YOUTH SERVICES BRANCH, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HCFA	HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HRSA	HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.HSQB	HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.IHSHS	INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NHGR	NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NICHHD	NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NID	NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NIH	NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.NIOSH	NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OASPE	OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OCA	U.S. OFFICE OF CONSUMER AFFAIRS, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OCS	OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OCSE	OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ODPH	OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OMH	OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OPE	OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.OPHS	OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ORHP	OFFICE OF RURAL HEALTH POLICY, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.ORB	OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES

SCO ASSIGNED FEDERAL ORG CODE	FEDERAL AGENCY NAME
93.OS	OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.PHS	PUBLIC HEALTH SERVICE
93.PHSII	PUBLIC HEALTH SERVICE-II
93.PSC	PROGRAM SUPPORT CENTER, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.SAMHS	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.SHCDC	NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH, CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES
93.TSDR	AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES
94.CNCS	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
95.OPC	OUNCE OF PREVENTION COUNCIL
96.SSA	SOCIAL SECURITY ADMINISTRATION
97.DHS	DEPARTMENT OF HOMELAND SECURITY
99.CIA	CENTRAL INTELLIGENCE AGENCY
99.CPSC	CONSUMER PRODUCT SAFETY COMMISSION
99.NRC	NATIONAL RESEARCH COUNCIL
99.OTH	OTHER FEDERAL AGENCIES
99.SI	SMITHSONIAN INSTITUTE
99.SJI	STATE JUSTICE INSTITUTE
99.UNKNOWN	OTHER FEDERAL AGENCIES
99.USPS	UNITED STATES POSTAL SERVICE

5.17 Exhibit L - Summary of Material Contingent Liabilities

This exhibit is used to report conditions that may result in material liabilities contingent on future events. Contingent liabilities include items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, potential lawsuits, and unsettled disputed claims or audit disallowances. Only unrecorded contingent liabilities should be included on the exhibit. If possible, estimate the potential loss amount or range of amounts. Do not include amounts that would be immaterial to your financial statements. Do not include lawsuits that have been referred to the Attorney General's Office because the SCO receives a separate listing of those suits from the Attorney General's Office.

At the beginning of October, the SCO will contact state agencies via e-mail regarding subsequent events, which are events occurring after June 30 that warrant disclosure in the state's Comprehensive Annual Financial Report.

EXHIBIT L
SUMMARY OF MATERIAL CONTINGENT LIABILITIES
AT JUNE 30, 2004

Item	Estimated Amount or Range	Estimated Percentage Probability of Loss	Estimated Settlement Date
------	---------------------------------	---	---------------------------------

Note: Only list unrecorded contingent liabilities. If possible, estimate the possible loss amount or range of amounts. Do not include amounts that would be immaterial to your financial statements, and do not include lawsuits that have been referred to the Attorney General's Office.

Prepared By: _____ Agency Name: _____
Phone Number: _____ Agency Code: _____
Email Address: _____ Date Prepared: _____

5.18 Exhibit M - Cash on Hand or Deposited with Financial Institutions

Deposits with financial institutions include all imprest cash accounts, checking accounts, depository accounts, certificates of deposit, restricted cash (not held for an agency by the State Treasurer) and amounts held in trust for students, inmates and patients. If these balances are not transferred to the State Treasurer by the close of business on June 30, they should be classified in 10XX accounts and reported on Exhibit M. Do not include on Exhibit M any balances classified in 11XX accounts or balances reclassified to account 1034 – “Restricted Cash Per GASB 34” that were held by the State Treasurer at June 30.

In order to meet the footnote disclosure requirements of GASB Statement 3, we require you to classify your financial institution deposits into the following categories of risk:

- ♦ Category 1 includes those deposits or portion of deposits that are insured by the FDIC and those deposits collateralized with securities held by the state or a custodial agent of the state in the state’s name. The determining factor is the degree of control the state exercises over the disposition of the collateralizing securities relative to the financial institution. **In the normal course, collateralizing securities are not held by the state in the state’s name. Therefore, unless you have made specific arrangements requiring that type of collateralization, related amounts should not be included in this category.**
- ♦ Category 2 is used for the uninsured portions of deposits that are fully collateralized with securities held by the bank or the bank’s agent in the state’s name. Correspondence with GASB indicates that the pooling of collateral allowed by the Colorado’s Public Deposit Protection Act would most likely fall into this category. Since most financial institutions hold the collateral (as allowed by statute) this category is the most reasonable/conservative for reporting the uninsured portion of the deposits.
- ♦ Category 3 applies to deposits that are both uninsured and uncollateralized. Deposits in this category are not in compliance with the Public Deposit Protection Act.
- ♦ Category 4 designates cash on hand and not deposited with financial institutions. The bank balance should be zero for this category of deposits.

Colorado statutes state that public moneys may only be deposited in financial institutions designated as eligible public depositories. The statutes also require that amounts of public moneys on deposit over the FDIC insurance coverage shall be collateralized. These requirements apply to both banks and savings and loan institutions.

A bank confirmation form is provided near the end of this section to be used to determine the appropriate risk category for your deposits. It is important for the information confirmed by the bank to be complete and accurate. For any information requested and not confirmed by the bank, or for any information provided that appears to be in error, the department should contact the bank for clarification. Due to differences in interpretation of the rules concerning coverage of FDIC insurance, we must rely on the banking institution’s representation to the department of available insurance or collateralized assets.

EXHIBIT M
CASH ON HAND OR
DEPOSITED WITH FINANCIAL INSTITUTIONS
AT JUNE 30, 2004

Bank Balance Risk Category*	Bank Balance	COFRS Balance
1		
1		
1		
Subtotal Category 1		
2		
2		
2		
Subtotal Category 2		
3		
3		
3		
Subtotal Category 3		
4		
4		
4		
Subtotal Category 4		
TOTALS:		

***RISK CATEGORIES:**

- 1 Federally insured deposits, or deposits fully collateralized with securities held by the state or its agent in the state's name.
- 2 Uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the state's name.
- 3 Uninsured and uncollateralized deposits. Deposits in this category are not in compliance with the Public Deposit Protection Act.
- 4 Petty cash, change funds, and other cash on hand. The bank balance should be 0 for these types of funds.

Note: Report on this exhibit all amounts classified in 10XX accounts on COFRS on June 30, including certificates of deposit and restricted cash (if not held by the State Treasurer). Do not include any amounts recorded in 11XX or amounts held by the State Treasurer that have been reclassified to 1034. Deposits with multiple risk classifications must show amounts related to each risk category. Group and subtotal accounts by risk categories.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

BANK CONFIRMATION FORM

In order for your agency to properly prepare Exhibit M, you need to confirm June 30 checking, savings, and certificate of deposit account balances. The Bank Confirmation Form requests information about amounts insured and collateralized under a given Public Deposit Protection Act (PDPA) number. If an agency has more than one PDPA number, it may need to send a separate confirmation form for accounts related to each PDPA number. The information received from the financial institutions on this form should be summarized on the Exhibit M. Reporting and Analysis uses the risk classification information for footnote disclosure in accordance with GASB Statement 3 in the statewide financial statements.

The information provided on the confirmation by the banking institution must be reviewed carefully. Incomplete or inaccurate information should be clarified with the bank. If FDIC insurance is applicable on the account, it should be reported as the lesser of the June 30 balance or \$100,000. Questions regarding FDIC insurance should be directed to the Division of Banking at 303-894-7573.

It is also important to determine that the PDPA number assigned to your department is the PDPA number attached to the account on the banking institution's records. Banking institutions report monthly to the Division of Banking regarding FDIC insurance and collateralization requirements for public funds identified with a PDPA number. If the bank does not confirm the PDPA number, contact the bank.

DATE: _____

TO: _____

FROM: _____

SUBJECT: *Verification of Insured and Uninsured Deposits*

In order for our agency to properly report its cash deposits in fiscal year end financial statements, we need the information requested below. It would be appreciated if you could provide the information by July 12, 2004.

The following is a listing of accounts for our agency under the given Public Deposit Protection Act Number that are on deposit in your financial institution along with space to report the balance, insurance, and collateral:

State Department Public Deposit Protection Act Number: _____

<u>Account</u>	<u>6/30/04 Balance</u>	<u>Insured Amount</u>	<u>Collateralized Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If the collateral amount is held by someone other than your financial institution please so indicate by an “*”.

In addition, I (we) certify that our financial institution is an Eligible Public Depository as required in Title 11 of the Colorado Revised Statutes.

Name of financial institution: _____

Person submitting the information: _____

Telephone number of preparer: _____

5.19 Exhibit N - Schedule of Investments

Use this exhibit to provide information about the types of investments your agency holds, the custodial risk associated with the security evidencing the investment, the difference between carrying value and fair value, and additional information about how you manage your investments.

GASB 31 requires investments to be reported at fair value with only a few exceptions (such as, money market investments.) Effectively, this requires us to record revenues related to realized or unrealized gains or losses on investments. To ensure that statewide reporting of unrealized gains and losses is done consistently, the State Controller has decided that, except for the Deferred Compensation Plan investments, all entries for unrealized gains/losses will be handled as post closing entries. **Therefore, you should not make an entry to COFRS for unrealized gains/losses on investments your agency holds.** Exhibit N is divided into three sections as follows:

Section A – Risk Category Classification

In this section enter the fair value and indicate the credit risk category (A, B, or C) for each investment type as follows:

- ♦ Category A investments include securities insured or registered in the state's name or securities held by the state or its custodial agent in the state's name.
- ♦ Category B investments are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name. A counterparty might be the issuer of a security, a financial institution holding a security, a broker-dealer selling securities, or a third party holding securities in a transaction.
- ♦ Category C investments include uninsured and unregistered securities held by the counterparty, or by its trust department or agent but not in the state's name. This includes the portion of the carrying amount of any repurchase agreement that exceeds the market value of the underlying securities. Risk classification is not applicable to reverse repurchase agreements, open-end mutual funds, positions in investment pools, investments not held for income or profit, advance refunding escrow assets, venture capital, limited partnerships, real estate, mortgages and other loans, annuity contracts, guaranteed investment contracts. The exhibit includes lines for reverse repurchase agreements and mutual funds; other investments listed in the previous sentence should be shown in the line item titled "Other – Uncategorized", and the type of investment should be disclosed.

Section B – Fair Value Information

In order for the SCO to make the necessary unrealized gain/loss entries, we need both the carrying value and the fair value of your investments. Although, GASB 31 allows certain investments (money market funds and investment contracts having less than one year to maturity at the time of purchase) to be reported at amortized cost, it is the State Controller's policy that all investments be reported at fair value. For most investments fair value will be determined by quoted market prices. However, if other valuation methods are used they must be disclosed (See Section C below). For the investments your agency holds, report the June 30 carrying balance by fund (COFRS Period 13 close balance as adjusted by Exhibits H posted to the state's financial statements) and the related June 30 fair value. These investments should be recorded in COFRS balance sheet accounts 12XX or 16XX.

Section C – Valuation Disclosures

GASB 31 and GASB 34 require several disclosures related to fair value of investments. The questions presented in Section C of the exhibit address the disclosures that can only be identified at the agency level. For the first question, check the appropriate box. If you used something other than a quoted market price to establish fair value, then explain the significant assumptions and methods used in valuing that investment.

For the second question, check the appropriate box and list the fund that reported the investment asset and the fund that reported the investment income. Explain the reason for reporting the income in a fund category other than the one in which the asset was reported.

The third major item in Section C is a disclosure requirement of paragraph 121 in GASB 34, and it applies to donor-restricted endowments, which the SCO interprets as including donor restricted permanent funds. For the first question provide the net appreciation of donor-restricted investments. This should include the unrealized gain/loss included in Section B as well as realized investment earning (interest, capital gains, etc.) Also provide the amount that management has the authority to expend.

For the second question, state how the amount available for expending is reported in the net assets section of the financial statements. For higher education, the donor-restricted investment should be part of the required fund balance reclassification entry that segregates the fund balance accounts as follows:

3200 – Externally Restricted – Other

3230 – Permanent Endowment – Expendable

3240 – Permanent Endowment – Nonexpendable

If the amount available for expending is offset in net assets by related liabilities, please explain that condition. For permanent funds, the classification as to expendable or nonexpendable is determined by the fund in which the investment revenue is recorded.

For the final question, state your policy for authorizing and expending endowment earning that are subject to management's discretion. The standard cites spending-rate (a percentage of investment income) and total-return (all of investment income, realized and unrealized) as two policy options that entities may be using.



EXHIBIT N
SCHEDULE OF INVESTMENTS
AT JUNE 30, 2004

Section A

Type of Investment	Risk Category *	Fair Value
U. S. Government Securities		0
Bank Acceptances		
Commercial Paper		
Corporate Bonds		
Corporate Securities		
Repurchase Agreements		
Asset Backed Securities		
Mortgages		
Mutual Funds	N/A	
Reverse Repurchase Agreements	N/A	
Other - Uncategorized (List by type)	N/A	
Total:		0

* - See instructions for risk category classifications.

Section B

Fund	COFRS Balance	Fair Value
	0	
Totals:		0

Section C

Was the fair value of any investment estimated by a method other than quoted market prices?
 Yes _____ No _____ If yes, list the investment and explain the estimation method below.

Was the income from any investment reported in or assigned to a fund category other than the one
 in which the investment asset was reported? Yes _____ No _____ If yes, explain below.

For **donor-restricted endowments** (GASB 34 Paragraph 121):

a) What amount of net appreciation of investments was available for authorization for expenditure
 by the board? Net Appreciation: _____
 Amount Available: _____

b) How is the available amount reported in net assets? _____

c) What is your agency/institution policy regarding authorizing and spending investment income?

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.20 Exhibit O - Summary of Related Party Disclosures

FASB 57 and SAS 45 promulgate the standards for disclosure of material related party transactions. In general, a related party is one that can exercise control or significant influence over the management or operating policies of another party, to the extent that one of the parties is or may be prevented from fully pursuing its own separate interests.

The minimum disclosures required for material related party transactions are:

- ♦ The nature of the material related party relationship. In addition, the name of the related party should be disclosed, if it is essential to the understanding of the relationship.
- ♦ A description of the material related party transactions, including amounts and other pertinent information. Related party transactions of zero or nominal amounts must also be disclosed. In other words, all information that is necessary to an understanding of the effects of the material related party transactions on the financial statements must be disclosed.
- ♦ The effects of any change in terms between the related party and the state from the terms applicable in prior periods.
- ♦ The terms of related party transactions, the manner of settlement of related party transactions, and the amount due to or from related parties must also be disclosed. Further, if the operating results or financial position of the state can be altered significantly by the effects of management control of the related party, even if there are no transactions with the related party, the nature of the control must be disclosed. In other words, if the existence of the control relationship has the potential of producing operating results or financial position that differs from those that would exist if there were no control relationship, disclosure must be made of the nature of such management control.

Examples of related organizations that might require related party transaction disclosure include but are not limited to:

- Colorado Housing and Finance Authority
- Colorado Health Facilities Authority
- Colorado Agricultural Development Authority
- Colorado Beef Council Authority
- Colorado Sheep and Wool Authority
- Fire and Police Pension Association
- Pinnacol Assurance (formerly Colorado Compensation Insurance Authority)
- The State Board of the Great Outdoors Colorado Trust Fund
- Colorado Educational and Cultural Facilities Authority
- Colorado Institute of Technology

In addition to the entities listed above, foundations existing for the benefit of higher education institutions that are not reported as component units of the state may or may not meet the criteria for disclosure as related parties. However, to address the State Auditor's concern regarding consistency in foundation reporting, the Higher Education Financial Advisory Committee has made the following interpretation of Higher Education Accounting Standard No. 14. Institutions should disclose foundation activity on this exhibit if the institution records transactions on its books that are funded by or at the direction of the foundation. If a foundation expends funds on behalf of an institution and the transactions are not recorded on the institutions books, no disclosure is necessary. Foundations that are reported as discretely presented component units of the state should not be reported on this Exhibit O.

EXHIBIT O

SUMMARY OF RELATED PARTY OR FOUNDATION DISCLOSURES FOR THE FISCAL YEAR ENDED JUNE 30, 2004

1. The name of the related party or foundation and the nature of the material relationship.
2. A description or summarization of the transactions, including amounts and other pertinent information.
3. The effects of any change in terms between periods.
4. The terms, the manner of settlement, and the amounts due to or from any related parties or foundations.

Note: References are FASB 57 and SAS-45(AU Section 334). Submit one form for each entity with which your agency had a material relationship.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.21 Exhibit P - Major Accounting Estimates

The use of estimates has been encouraged to aid in completing the close of the state's financial books of record. This exhibit provides information to the State Controller regarding major accounting estimates used in closing.

For purposes of this exhibit, major estimates include those over \$1,000,000. The \$1,000,000 threshold applies both to balance sheet accounts and expenses/expenditures and revenues. Estimates related to recording depreciation of capital assets should not be included on the Exhibit P. The State Controller will review agencies' listings of major accounting estimates and request additional information if needed.

The exhibit requests information on the accounting entry resulting from the estimate and a brief narrative description of the purpose of the estimate.

EXHIBIT P
MAJOR ACCOUNTING ESTIMATES
IN EXCESS OF \$1,000,000
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

1. Accounts impacted by the estimate:

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit
---------------	--------------	------------	---------------	-------	--------

2. Brief description of the purpose of the estimate.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.22 Exhibit Q - Proprietary Fund Noncash Transactions – NonHigher Education Institutions Only

Use this exhibit to provide information on noncash transactions of funds using proprietary fund type accounting. Governmental Accounting Standards Board (GASB) Statement No. 9 requires the disclosure of certain types of noncash transactions on the Statement of Cash Flows in the state's CAFR. Cash flow statements are only required for fund types using proprietary fund accounting. While these noncash transactions affect the balances on COFRS, they cannot be separately identified from the COFRS records. Higher education institutions are not required to complete this Exhibit Q. Noncash transactions of higher education institutions are reported on Exhibit V.

In fiscal year 1998-99, the State Controller's Office began using direct-method techniques in preparing the Statement of Cash Flows. Under this approach, Reporting and Analysis reviews proprietary fund type cash transactions through an automated process. This process does not provide a way to identify noncash transactions. Therefore, noncash transactions that meet the criteria in the following paragraph should be included on the Exhibit Q.

The Implementation Guide for GASB Statement No. 9 requires the disclosure of noncash transactions if all of the following three conditions are met.

1. The transaction is noncash. If a transaction is part cash and part noncash, the cash portion should be shown in the statement and the noncash portion evaluated for items 2 and 3 below.
2. The transaction affects recognized assets or liabilities. Changes in noncash assets or liabilities that are not attributable to a cash receipt or payment should be considered a noncash transaction. For example entering a capital lease for a building is a noncash transaction because a lease liability and the building were recorded. However, the inception of an operating lease would not be reported because there is no balance sheet effect.
3. The transaction is due to an investing, capital and related financing, or noncapital financing activity. (This implicitly excludes transactions that are related to operations. For the purposes of cash flow statement preparation, operating activities are defined as any activity that does not qualify as an investing, capital and related financing, or noncapital financing activity.) For example, a capital lease transaction meets the definition of a capital and related financing activity and should be reported as a noncash transaction. However, an account receivable exchanged for the forgiveness of an account payable is an operating activity and should not be reported as a noncash transaction.

Other examples of noncash transactions that the SCO has identified include assets (other than cash) or liabilities received or surrendered through capital contributions, losses on disposal of capital assets, and exchange of an investment to satisfy a loan or note payable. You may exclude transactions under one thousand dollars (\$1,000).

Please review the information in Chapter 3, Section 4.4 to ensure that your accounting transactions support the State Controller's Office preparation of the direct method cash flow statement.

EXHIBIT Q**PROPRIETARY FUND NONCASH TRANSACTIONS (Excluding Higher Education)
FOR THE FISCAL YEAR ENDING JUNE 30, 2004**

1. Accounts impacted by the noncash transaction(s):

Agency	Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit
--------	------	--------------	------------	---------------	-------	--------

2. Description of the noncash transaction(s).

NOTE: Include only noncash transactions that affect investing, capital and related financing, and noncapital financing activities.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.23 Exhibit R - Application/Letter of Certification for Petty Cash and Change Funds

CRS 24-30-202 (20.1) and Fiscal Rule 6.2 allow the State Controller to delegate approval of petty cash funds to a designee. This delegation allows the agency to establish, abolish, or change the dollar amount of petty cash and change funds.

Use Exhibit R to complete the annual certification confirming that the delegation conditions are still in place. The Exhibit R may also be used to apply for delegation of the State Controller's approval for petty cash and change funds. Application for delegation may be completed at any time during the fiscal year, not just during the open/close process. The "List of Approved Petty Cash and Change Funds" in Item #6 on Exhibit R contains the minimum data elements required. Agencies may use a more inclusive format if desired and attach it to Exhibit R. The item "Petty Cash or Change Fund Identifier" is the agency assigned descriptor of the petty cash or change fund; it could be location, an assigned number, or a text description.

If your agency does not have delegated authority for petty cash and change funds, enter "none" on the Exhibit Listing Form and do not complete this exhibit. Due to the attest signatures required on this exhibit, it must be submitted in paper format.

EXHIBIT R
APPLICATION/LETTER OF CERTIFICATION
FOR PETTY CASH AND CHANGE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

CRS 24-30-202 (20.1) and Fiscal Rule 6.2 allow the state controller to delegate approval of petty cash funds to a designee. This delegation allows departments or institutions to establish, abolish, or change the dollar amount of their petty cash and change funds.

Please sign below to signify your understanding, agreement, and certification of the following statements:

1. The delegation of petty cash and change funds is to the controller or chief financial officer of this department or institution. This authority can not be sub-delegated to anyone else.
2. The department or institution has adequate internal controls in place to safeguard the petty cash and change funds.
3. No individual petty cash fund exceeds \$2,500
4. All cash at the agency is maintained in the correct classifications on COFRS as Petty Cash (1012), Change Funds (1011) or Cash on Hand (1010).
5. Change funds are kept to a minimum. No expenditures have been made from change funds. Expenditures from petty cash have been limited to those allowed in Fiscal Rule 6.2.
6. A report listing the agency, fund, petty cash and change funds authorized, and the authorized amount is to be submitted annually. A format for the report follows; attach an additional schedule if needed.

Agency	Fund	Petty Cash or Change Fund Identifier	Amount Authorized

(Mark one) This ____ letter of certification ____ application for delegation is for the following:

Department/Institution: _____

Agency Name(s) _____

Agency Code(s) _____

Approval Delegated To: _____

Signature: _____ Date: _____
 Controller or Chief Financial Officer

(For new delegation)

Approved by: _____ Date: _____
 For the State Controller

5.24 Exhibit S – Changes in Short-Term Financing

Paragraph 12 of GASB 38 requires disclosure of short-term debt financing even if no short-term debt was outstanding at June 30. Exhibit S applies only to short-term financing that is external to the state's reporting entity; therefore, State Treasury loans and advances and inter and intrafund borrowings should not be reported on this exhibit.

In the upper section of the exhibit, enter your beginning short-term debt balance, any increase in the balance during the year, and the ending balance. **All amounts should be entered with the accounting normal-balance signs, that is, credit balances and increases are entered as negative numbers and decreases (debits to the account) are entered as positive numbers.** The decrease is calculated by the formulas in the exhibit template. If you enter balances in the line item titled "Other Short-Term Financing", please provide a descriptive title for the activity.

In the lower section of the exhibit, describe the nature and purpose of the short-term borrowing reported in the upper section.

EXHIBIT S
SCHEDULE OF CHANGES IN SHORT-TERM FINANCING
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

COFRS		6/30/03 Balance(CR)	Changes		6/30/04 Balance(CR)
Fund	Account		Increase(CR)	Decrease(DR)	

Tax Revenue Anticipation Notes:

Lines of Credit:

Short-Term External Loans:

Other Short-Term Financing:

Totals

Describe the nature and purpose of the short-term financing listed above:

NOTE: The issuance and retirement of short-term financing should be disclosed on this exhibit even if the beginning and/or ending balance of the financing is zero.

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.25 Exhibit T – Segment Reporting

Paragraph 122 of GASB 34, as revised by Paragraph 17 of GASB 37, requires certain disclosures of enterprise activities that qualify as segments. An enterprise activity qualifies as a segment if it is an identifiable activity that has revenue bonds with a revenue stream pledged in support of the debt and is required by an external party to separately account for the assets, liabilities, revenues, and expenses of the activity.

In Section A of the exhibit, you should enter the condensed financial information specified by the line items listed. The exhibit template includes Check Totals at the bottom of Section A that must remain at zero after the data entry for the segment is complete. These Check Totals ensure that the required financial statement relationships are maintained.

Section B is used to recast the operating statement balances from Section A into the format required on the government-wide Statement of Activities for reporting in the state's Comprehensive Annual Financial Report (CAFR). Amounts reported in this section of the exhibit will be reported on a line separate from the related business type activity in the CAFR Statement of Activities. This section is applicable only if the segment reported in Section A is considered a "different" identifiable activity from the business type activities in which it is reported on the fund level statements. If the goods or services of a segment are supplemental or secondary to the delivery of the primary goods or services of the enterprise, then the segment is not considered "different", and it would not be reported in Section B of this exhibit. GASB 37 (paragraph 10, footnote C) states that, "For higher education institutions reported in enterprise funds, the variety of activities common to those institutions – for example, food service, bookstore, residence halls, and student unions – generally would not be required to be reported separately." An example of a "different" identifiable activity that would be reported in Section B is the generation and sale of electricity by a higher education enterprise that qualifies as a segment. In this instance, the goods sold are unrelated to the primary products of the enterprise, and Section B of the exhibit should be completed. The State Controller's Office will interpret the absence of balances reported in Section B as each agency's representation that its segments are not "different" from their normal enterprise activity.

In Section C of the Exhibit describe the type of goods or services provided by each segment.

Two segments may be reported on the exhibit. Additional numbered instances of the exhibit may be needed if an agency or institution has more than two segments.

EXHIBIT T
SEGMENT REPORTING
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

SECTION A

Segment #1

Segment #2

SONA			
Assets:	Current Assets		
	Due from Other Funds		
	Other NonCapital Assets		
	Capital Assets		
Liabilities:	Current Liabilities		
	Due to Other Funds		
	NonCurrent Liabilities		
Net Assets:	Invested in Capital Asset (net)		
	Restricted Endowments Expendable		
	Restricted Endowments Nonexpendable		
	Other Restricted Net Assets		
	Unrestricted		
Operating Revenue:	Tuition and Fees		
	Sales of Goods and Services		
	Other		
Operating Expense:	Depreciation		
	Other		
Nonoper. Rev(Exp):	Investment Income		
	Gifts and Donations		
	Other Nonoperating Revenues		
	Debt Service		
	Other Nonoperating Expenses		
Other:	Transfers In		
	Transfers-Out		
	Capital Contributions		
	Additions to Endowments		
	Special and Extraordinary Items		
Beginning Net Assets			
Cash Provided By:	Operations		
	Noncapital Financing		
	Capital and Related Financing		
	Investing		
Beginning Cash			
Ending Cash			
Check Totals: (Must be zero after data entry)	SONA	0	0
	SORECNA	0	0
	SOCF	0	0

SECTION B

For each segment that is an identifiable activity different from your business type activity, provide the following:

Total Expenses
Fees, Fines, and Charges for Goods/Services
Operating Grants
Capital Grants
Unrestricted Investment Earnings
Other Revenues (not include in 4 previous lines)

SECTION C

Describe the type of goods or services provided by each segment.

Describe the type of goods or services provided by each segment.
--

Prepared By:

Agency Name:

Phone Number: _____

Agency Code:

Email Address:

Date Prepared:

5.26 Exhibit U – Other Disclosures

Accounting standards require certain disclosures that do not fit well with existing exhibits. Those required disclosures are accumulated on Exhibit U.

Sections A and B

Paragraph 89 and other paragraphs in GASB 34 require specific reporting treatment of special and extraordinary items as defined in paragraphs 55 and 56 of that standard. Because the nature of unusual and extraordinary items can vary widely, we have not established accounts on COFRS to record the transactions. Unusual and infrequent transactions should be recorded on COFRS in the accounts that most accurately reflect the underlying events. Sections A and B on Exhibit U are used to disclose how the transaction was coded and to describe the nature of the transaction.

Special items are transactions that are either unusual in nature or infrequent in occurrence and are under the control of management. The terms unusual and infrequent should be assessed in the context of the activities normal operations (see APB 30 for more on the definitions of unusual and infrequent). In Section A of the exhibit show how the special item was coded on COFRS and provide a description of the underlying event. The description should be adequate for disclosure in the state's annual financial report, and it should explain the transaction without the need for prior knowledge of the event. The State Controller's Office will reclassify the transaction in a post closing entry to make it possible to report the transaction separately from other balances.

Extraordinary items are transactions that are both unusual in nature and infrequent in occurrence; whether or not the event was within the control of management. The terms unusual and infrequent should be assessed in the context of the activities normal operations (see APB 30 for more on the definitions of unusual and infrequent). In Section B of the exhibit show how the extraordinary item was coded on COFRS, and provide a description of the underlying event. The description should be adequate for disclosure in the state's annual financial report, and it should explain the transaction without the need for prior knowledge of the event. The State Controller's Office will reclassify the transaction in a post closing entry to make it possible to report the transaction separately from other balances.

Section C

The State Controller does not specify the asset class lives to be used in calculating depreciation; instead, agencies are required to use their own experience in establishing class lives. The State Controller's Office is required to disclose in the CAFR the policy for estimating asset useful lives. Show in Section C the shortest estimated life used and the longest estimated life used for each class of the following classes of assets; land improvements, buildings, leasehold improvements, equipment, library books, infrastructure, other. Do not consider assets that are clearly immaterial in completing this section of the exhibit. The State Controller's Office will disclose a range of class lives used based on the information provided in Section C of this exhibit.

Section D

Paragraph 9 of GASB 38 requires disclosure of significant violations of finance-related legal or contractual provisions and the actions taken to address the violation. In Section D, describe any such violations that occurred within the fiscal year and the actions taken to cure the violation and/or prevent reoccurrence.

Section E

FASB Statement 34 requires proprietary activities to capitalize interest cost during the time that activities necessary to get the asset ready for its intended use are in progress. Report in Section E the amount of interest capitalized during the fiscal year.

EXHIBIT U
OTHER DISCLOSURES
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Section A - Special Items: (Unusual or infrequent, within management's control)

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit
Description of the Special Item:					

Section B - Extraordinary Items: (Unusual and infrequent, with or without management control)

COFRS Fund	Acct Type	BS Acct	Rsrc/ Objt	Debit	Credit
Description of the Extraordinary Item:					

Section C - Class Lives Used for Depreciation:

Asset Class:	Shortest Life Used	Longest Life Used

Section D - Violations of Finance-Related Legal or Contractual Provisions

Describe the Violation:
Describe the Actions Taken to Address the Violation:

Section E- Interest Capitalized During Construction in Proprietary Funds

Report the amount of construction interest capitalized in the current fiscal year.
--

Prepared By: _____ Agency Name: _____

Phone Number: _____ Agency Code: _____

Email Address: _____ Date Prepared: _____

5.27 Exhibit V – Higher Education Cash Flow Statement – Supplemental Information

The State Controller's Office (SCO) is required to present a cash flow statement for all proprietary fund types, and it must use the direct-method format for the presentation. For agencies outside higher education, the SCO uses the indirect method along with transaction-based adjustments to prepare the direct-method format cash flow statement. Because higher education feeds summarized transactions to COFRS, the SCO does not have access to the transaction detail needed to convert the indirect method to the direct-method format. Higher education should complete Exhibit V to provide the information needed for the conversion and to disclose noncash transactions.

Section A

The items listed in Section A of the exhibit are cash inflows and outflows that affect real accounts (Statement of Net Assets accounts - SONA) and that generally do not affect nominal accounts (operating statement accounts). Refer to Chapter 3 Section 4.4 for a schedule showing how COFRS accounts aggregate to cash flow statement line items. The indirect method using these aggregations in some instances results in net cash flows that must be converted to gross cash flows. The amounts presented in Section A provide that conversion.

Cash From Operations:

The two lines related to loans are used to show the cash inflows and outflows that result from SONA transactions in the loan revolving activity. The sum of the cash inflows and outflows for the loan revolving activity must equal the year-to-year change in the real accounts used to track the loan activity. The SCO includes loan cancellations in the indirect-method calculation of the year-to-year change in loans receivable, so loan cancellations should not be included in the amounts shown on the exhibit.

Cash Flows From Noncapital Financing:

The two lines related to Deposits Held in Custody are used to show the cash received and disbursed when the institution holds funds for others that it will not report as revenues or expenses. This is commonly referred to as agency or balance sheet accounting in the proprietary funds. Examples of this situation include funds held and disbursed for campus organizations, and funds related to the Federal Direct Lending Program. The sum of the cash inflows and outflows for agency activity must equal the year-to-year change in the real accounts used to track this activity.

The two lines related to noncapital debt are used to show the cash inflows and cash outflows that result from notes and anticipation warrants that are used for operations rather than capital financing. Note that cash flows related to liability accounts 2805, 2806, and 2807 are not to be included in the amounts shown for noncapital debt. We expect that the use of these accounts in the proprietary funds will be limited to the year end entry to reclassify unspent certificates of participation proceeds (for net asset classification purposes). Since certificates of participation are issued for capital related purposes, accounts 2805, 2806, and 2807 are included in the capital related financing section.

Cash Flows From Capital and Related Financing:

The line titled State Capital Contributions applies only to those higher education institutions that disburse funds for capital projects from the 3XX funds and then are reimbursed by the 461 fund. In order to present the higher education enterprise fund similarly to other enterprise funds, the SCO will report expenditures in the capital construction fund for the general funded portion of projects and convert the transfer-in (revenue source code EBGD) recorded by higher education in the plant fund to a capital contribution (RSRC 8800). Revenue source code 8800 will be included with the change in capital assets, thus, eliminating the cash outflow that would have been shown for the acquisition of capital assets. For institutions that pay capital expenditures from the 461 fund, the

balance in EBGD/8800 should be disclosed in Section B as a noncash transaction. For institutions that are reimbursed by the capital construction fund 461, this line item should show the balance in revenue source code EBGD, and the amount should not be shown as a noncash transaction.

The two lines related to capital assets should show the cash disbursed for capital asset acquisitions and the cash received from sales of capital assets. Together these amounts should equal the net change in the real and nominal accounts related to capital assets. The SCO will calculate the net amount for these two lines combined by adjusting the year-to-year change in net capital asset balances for depreciation, leases entered, gain/loss on sale, capital contribution, and any other account for which capital assets are the offset. Agencies can calculate the gross amount for each of these lines by reviewing transactions that affect capital assets and that have cash offsets, or by a separate tracking mechanism.

The line titled Capital Lease and Mortgage Principal Payments should show the cash disbursements for lease and mortgage principal payments but not the cash disbursed for interest payments, which the SCO can identify from the operating statement accounts. This amount may not match the amount shown as lease liability reduction on Exhibit C if you have mortgage payments. This amount will be shown as a capital related cash outflow, and it will be used to adjust the cash provided/used in Acquisitions of Capital Assets where the change in lease and mortgage liability is included. The increase in lease or mortgage liability related to acquiring a new capital asset is disclosed in Section B – NonCash Transactions (See below).

The line titled Proceeds from Bonds, Notes, and COPs should show the cash received at issuance of the debt instrument including any premium or discount. The line titled Bond, Note, and COP Principal Payments should show disbursements for capital related debt service, but it should exclude interest payments, which are presented in a separate line and can be identified from the operating statement accounts. It should also include amounts recorded in 171X related to deferred debt issuance costs that did not reduced bond proceeds. The sum of the cash inflows and outflows for debt activity must equal the year-to-year change in the real accounts used to track the debt.

Cash Flows From Investing:

The line titled Purchases of Investments should show cash disbursed to buy investments. The line titled Proceeds from Sale and Maturity of Investments should show cash received from the sale of investments and the cash received when investments mature. The sum of the cash inflows and outflows for investment activity must equal the year-to-year change in the real accounts used to track investments.

Section B

Higher education institutions should complete this section of Exhibit V and should not complete Exhibit Q. (However, the instructions for Exhibit Q include a more detailed definition of noncash transactions that higher education institutions may find of value.) Certain noncash transactions must be reported on the Statement of Cash Flows. Those transactions are limited to investing, capital, and financing activities that affect recognized assets or liabilities but do not result in cash receipts or cash payments. Note that this definition excludes transactions affecting operating assets or liabilities. Examples of noncash transactions that should be shown in this section include: (the following list is not intended to be comprehensive)

- Loss on disposal of capital assets,
- State capital contributions (if cash was not transferred to the higher education funds) ,
- New mortgages or capital leases initiated during the year,
- Amortization of refunding gain/loss,
- Amortization of debt premium or discount,

- Amortization of investment premium or discount,
- Exchange of an investment to satisfy a loan or note payable.

Each noncash transaction should be shown in Section B as the accounting journal entry used to record the transaction. Include the accounting string elements shown in Section B. The unrealized gain/loss adjustment required by GASB 31 is a noncash transaction for agency held investments; the same adjustment for cash with the State Treasurer is a cash transaction for the state's Comprehensive Annual Financial Report. The SCO will identify the noncash transaction related to unrealized gains/losses from the Exhibit N, and therefore, higher education institutions should not include it on the Exhibit V.

You may omit noncash transactions under \$10,000 from this exhibit.

EXHIBIT V

**HIGHER EDUCATION CASH FLOW STATEMENT - SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2004**

SECTION A - Indirect Method Adjustments for Direct Method Format

Amount

Cash Flows from Operations:	
Loans Disbursed	
Loan Collections	
Cash Flows from Noncapital Financing:	
Receipts of Deposits Held in Custody	
Disbursements of Deposits Held in Custody	
Noncapital Debt Proceeds	
Noncapital Debt Payments	
Cash Flows from Capital and Related Financing:	
State Capital Contributions (only if cash was transferred to 3XX funds)	
Acquisition of Capital Assets	
Disposal of Capital Assets	
Capital Lease and Mortgage Principal Payments	
Proceeds from Bonds, Notes, and COPs	
Bond, Note, and COPs Principal Payments	
Cash Flows from Investing:	
Purchases of Investments	
Proceeds from Sale and Maturity of Investments	

SECTION B - Noncash Transactions

(Noncash transactions affecting real accounts presented in the three categories that are not cash from operations.)

Agency	Fund	Type	BS - Account	Object/Rev Source	Debit	Credit

Prepared By: _____

Agency Name: _____

Phone Number:

Agency Code:

Email Address:

Date Prepared:

5.28 Exhibit W1 – Changes in Capital Assets – Governmental and Internal Service Funds

Use the Exhibit W1 to report changes in capital assets owned or used by governmental funds and internal service funds. Internal service funds are included on this exhibit because internal service fund assets are reported with governmental activities on the government-wide Statement of Net Assets. Do not report capital assets owned by enterprise or fiduciary funds on this exhibit. Changes in enterprise fund capital assets are reported on Exhibit W2, and changes in fiduciary fund capital assets are not on either exhibit W1 or W2 because fiduciary funds are not reported on the government-wide Statement of Net Assets.

The Exhibit W1 is divided into the three sections required by the footnote disclosure; Capital Assets not Being Depreciated, Capital Assets Being Depreciated, and Accumulated Depreciation. Each section is subdivided into the asset classes established for reporting by the SCO. The COFRS balance sheet account numbers related to each asset class are listed below the asset class. The beginning and ending balance for each asset class is provided to you on the Exhibit Reconciling Balances Report. You should enter these balances in the first and last columns respectively and adjust the ending balance for any applicable Exhibits H. In the column titled Additions enter the summation of all entries that increase the capital assets or accumulated depreciation including:

- ♦ Capitalize property purchases,
- ♦ Donations of capital assets,
- ♦ Lease inceptions,
- ♦ Depreciation expense, and
- ♦ Prior period adjustments.

In the column titled CIP Transfers, enter the amount of completed construction that you are reclassifying from Construction in Progress to a particular capitalized asset. Use the normal accounting convention to report the transfer, that is, credit CIP (a negative or bracketed amount) and debit the capitalized asset (a positive or unbracketed amount). No amounts should be entered in this column in the Accumulated Depreciation Section.

In the column titled Deductions enter the summation of all entries that decrease capital assets or accumulated depreciation including:

- ♦ Capital assets sold,
- ♦ Capital asset inventory losses,
- ♦ Other capital asset dispositions,
- ♦ Removal of accumulated depreciation at capital asset disposition, and
- ♦ Prior period adjustments

Beginning, ending, and additions balances should be entered with their normal accounting signs (that is, as positive numbers for capital assets and negative numbers for accumulated depreciation); deductions should also be entered using their normal accounting signs (that is, negative numbers for capital assets and positive numbers for accumulated depreciation). Each asset class (row) must cross-foot using this sign convention. As with other exhibits, you should explain whether any Exhibit H affected the ending balance on the Exhibit W.

EXHIBIT W1
SCHEDULE OF CHANGES IN CAPITAL ASSETS
GOVERNMENTAL AND INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Note: Data entry should be done in unshaded cells.

	6/30/03 Balance	Additions	CIP Transfers	(Deductions)	6/30/04 Balance
Capital Assets Not Being Depreciated:					
Land					
(1800)					
Land Improvements					
(1815)					
Collections					
(1857)					
Construction in Progress					
(1860, 1887)					
Infrastructure					
(1880, 1890, 1895, 1898)					
Capital Assets Being Depreciated:					
Leasehold and Land Improvements					
(1810, 1830)					
Buildings					
(1820)					
Vehicles and Equipment					
(1840 thru 1843)					
Library Materials & Collections					
(1850, 1855)					
Other Capital Assets					
(1870)					
Infrastructure					
(1880, 1885, 1888, 1890, 1895, 1898)					
Accumulated Depreciation:					
	6/30/03 (Balance)	(Additions)		Deductions	6/30/04 (Balance)
Leasehold and Land Improvements					
(1811, 1831)					
Buildings					
(1821)					
Vehicles and Equipment					
(1847, 1848, 1849)					
Library Materials & Collections					
(1851, 1856)					
Other Capital Assets					
(1871)					
Infrastructure					
(1886, 1889, 1891, 1896, 1899)					
Totals					

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.29 Exhibit W2 – Changes in Capital Assets – Enterprise Funds

Use the Exhibit W2 to report changes in capital assets owned by enterprise funds. Do not report capital assets owned by governmental funds, internal service funds, or fiduciary funds on this exhibit. Changes in capital assets of those funds are reported on Exhibit W1 except fiduciary funds, which are not on either exhibit W1 or W2 because fiduciary funds are not reported on the government-wide Statement of Net Assets.

The Exhibit W2 is divided into the three sections required by the footnote disclosure; Capital Assets not Being Depreciated, Capital Assets Being Depreciated, and Accumulated Depreciation. Each section is subdivided into the asset classes established for reporting by the SCO. The COFRS balance sheet account numbers related to each asset class are listed below the asset class. The beginning and ending balance for each asset class is provided to you on the Exhibit Reconciling Balances Report. You should enter these balances in the first and last columns respectively and adjust the ending balance for any applicable Exhibits H. In the column titled Additions enter the summation of all entries that increase the capital assets or accumulated depreciation including:

- ♦ Capitalize property purchases,
- ♦ Donations of capital assets,
- ♦ Lease inception,
- ♦ Depreciation expense, and
- ♦ Prior period adjustments.

In the column titled CIP Transfers, enter the amount of completed construction that you are reclassifying from Construction in Progress to a particular capitalized asset. Use the normal accounting convention to report the transfer, that is, credit CIP (a negative or bracketed amount) and debit the capitalized asset (a positive or unbracketed amount). No amounts should be entered in this column in the Accumulated Depreciation Section.

In the column titled Deductions enter the summation of all entries that decrease capital assets or accumulated depreciation including:

- ♦ Capital assets sold,
- ♦ Capital asset inventory losses,
- ♦ Other capital asset dispositions,
- ♦ Removal of accumulated depreciation at capital asset disposition, and
- ♦ Prior period adjustments

Beginning, ending, and additions balances should be entered with their normal accounting signs (that is, as positive numbers for capital assets and negative numbers for accumulated depreciation); deductions should also be entered using their normal accounting signs (that is, negative numbers for capital assets and positive numbers for accumulated depreciation). Each asset class (row) must cross-foot using this sign convention. As with other exhibits, you should explain whether any Exhibit H affected the ending balance on the Exhibit W.

EXHIBIT W2
SCHEDULE OF CHANGES IN CAPITAL ASSETS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

Note: Data entry should be done in unshaded cells.

	6/30/03 Balance	Additions	CIP Transfers	(Deductions)	6/30/04 Balance
Capital Assets Not Being Depreciated:					
Land					
(1800)					
Land Improvements					
(1815)					
Collections					
(1857)					
Construction in Progress					
(1860, 1887)					
Infrastructure					
(1880, 1890, 1895, 1898)					
Capital Assets Being Depreciated:					
Leasehold and Land Improvements					
(1810, 1830)					
Buildings					
(1820)					
Vehicles and Equipment					
(1840 thru 1843)					
Library Materials & Collections					
(1850, 1855)					
Other Capital Assets					
(1870)					
Infrastructure					
(1880, 1885, 1888, 1890, 1895, 1898)					
Accumulated Depreciation:					
	6/30/03 (Balance)	(Additions)		Deductions	6/30/04 (Balance)
Leasehold and Land Improvements					
(1811, 1831)					
Buildings					
(1821)					
Vehicles and Equipment					
(1847, 1848, 1849)					
Library Materials & Collections					
(1851, 1856)					
Other Capital Assets					
(1871)					
Infrastructure					
(1886, 1889, 1891, 1896, 1899)					
Totals					

Prepared By: _____

Agency Name: _____

Phone Number: _____

Agency Code: _____

Email Address: _____

Date Prepared: _____

5.30 Intra/Interfund Receivable/Payable Confirmation Form

This confirmation form fulfills multiple purposes. In addition to being the source of information for balancing the intra and interfund payables/receivables, it is the basis for the GASB 38 disclosure of the source of all interfund receivables and the fund to which the amounts are payable. The form is also the source of information for a postclosing entry eliminating amounts receivable from or payable to fiduciary funds, which are considered external for the government-wide Statement of Net Assets. In order to prepare this disclosure from the existing confirmation process, it is necessary that the confirmation forms contain only one-to-one or many-to-one fund relationships. The SCO cannot identify the source of receivables and the funds to which amounts are payable if the confirmation forms contain many-to-many fund relationships. The numerous disclosure requirements dependent on this form make it essential that both parties to each receivable/payable transaction submit confirmation forms.

Based on our experience in the prior fiscal year closings, the following five areas need to be emphasized in the intra/interfund receivable/payable confirmation process.

1. Send all confirmation forms directly to Karoline Clark in the Reporting and Analysis Section. Do not send the confirmation forms to your field accounting specialist. Karoline's telephone number is 303-866-3811.
2. Buying agencies may have cleared an intra/interfund payable that the selling agency still has recorded as a receivable. One example of this occurring is when a buying agency uses a check or warrant to make payment and the selling agency has not yet received the payment or has recorded the receipt in the following fiscal year. When this or a similar situation occurs, agencies should complete the confirmation process by explaining the condition on the confirmation form and submitting it to Reporting and Analysis. The information will be used to reclassify the receivable for statewide financial statement purposes only.
3. The process Reporting and Analysis uses to balance these intra/interfund receivables and payables relies on having a signed copy from both the buyer and the seller. Therefore, both agencies must submit confirmation forms equal to the amount recorded in their intra/interfund receivables/payables. (Confirmation forms related to revenues posted to other agencies books by the Department of Revenue are the only exception to this rule.)
4. The confirmation form should not be used as a billing instrument, except as described below for the Department of Personnel and Administration direct billing. The selling agencies should ensure that bills for services are sent out with sufficient time for the receiving agency to record the payable and complete the confirmation form.
5. The State Controller's Office is setting the intra/interfund receivable/payable cutoff date at July 23 . However, agencies should complete their confirmations as far in advance of the cutoff date as possible. The completed and signed forms are due to the State Controller's Office by July 30 .

GENERAL INSTRUCTIONS

The intra/interfund receivable/payable confirmation form that follows is required for all agencies and institutions recording intra/interfund receivable/payables at the close of FY03-04. The form represents an agreement between agencies or funds documenting that both parties are aware of the amount and the account coding recorded by the other party to the transaction. Please remember that these receivable/payables may be within a single agency and either within the same fund category or between funds in that single agency.

Individual receivable/payable accounts that are equal to or less than \$1,000 do not need to be confirmed. All balances that exceed \$1,000 in COFRS accounts 137X, 139X, 1720, 1730, 236X, 239X, 2940, and 2950 must be supported by these agreements. If the actual amounts are not known, an estimated amount should be agreed on by the agencies involved. The confirmation forms must be signed by the controllers (or their designee) of the departments or institutions of higher education. The deadline for finalizing intra/interfund receivable/payables is July 23. It is essential that the intra/interfund receivable/payable accounts balance at the close of the fiscal year. You should reconcile the balances in the intra/interfund receivable/payable accounts on COFRS to the detail on the Intra/Interfund Receivable/Payable Confirmation Forms. However, this reconciliation should not be submitted to SCO. Submit a signed copy of all Intra/Interfund Receivable/Payable Confirmation Forms to Reporting and Analysis by July 30. If you are using e-mail to complete these forms, when the confirmation is complete and agreed to by both sides of the transaction, copy (cc) Karoline Clark at 'karoline.clark@state.co.us' on the final e-mail. This will serve as the submission of the form to the SCO by both parties and no paper copy need be transmitted. Karoline will respond to the e-mail to confirm that she has received documentation of the confirmation process.

Agencies can determine if a transaction should be coded as an intra or interfund receivable or payable by referring to the table included in Section 3.17 of this chapter.

In general, the following steps should be taken:

1. The initiating fund/agency controller should contact the other fund/agency controller to discuss the existence of the receivable/payable. They should come to agreement at that point whether it is a valid receivable/payable and agree as to the amount (either estimated or actual). You may summarize multiple transactions on a single form, but not many-to-many fund relationships. If the amount is determined to be equal to or less than \$1,000, no confirmation need be completed.
2. Either agency should complete their portion of the confirmation form and fax or e-mail the form to the other agency.
3. If the receiving agency agrees to the amount and coding, they should complete their portion of the form, retain a copy to support their receivable or payable, and fax or e-mail a completed copy back to the initiating agency. If agencies are using e-mail for the confirmation process they should follow the submission instructions above.
4. If the agencies cannot agree on the item or the amount, the dispute should be referred to their field accounting specialist(s) promptly so that it can be resolved prior to closing. If balancing is not achieved by the deadline, explain the conditions on the forms and submit them to Reporting and Analysis.

5. Once an agreement is reached and documented, both agencies should prepare journal vouchers to accrue their receivable/payable at the agreed on amount (whether it is actual or an estimate).

If the Department of Personnel and Administration (DPA) is not able to process IT's for any services (such as long distance telephone, fleet vehicle mileage, or copier billings) before July 16 (period 12 closing) the following special procedures will be used for direct billing.

1. DPA will prepare an estimate of the cost of services based on May 2003 information.
2. Estimates will be provided to the agencies by July 7 on the Intra/Interfund Receivable/Payable Confirmation Form following this section.
3. Agencies will need to review the estimate and if they agree, complete their portion of the interfund agreement and accrue the payable.
4. If the agencies do not agree with the estimate, they should call the DPA contact for the particular service as follows:
 - ♦ Capitol Complex rental billings – Janice Benton, phone 303-866-2161 or e-mail janice.benton@state.co.us
 - ♦ Telecommunications billings – Lorilie McCann, phone 303-866-2799 or e-mail lorilie.mccann@state.co.us
 - ♦ All other Central Services billings – Charlie Marquez, phone 303-866-3981 or e-mail charlie.marquez@state.co.us

The DPA staff will make every effort to arrive at a mutually agreeable estimate.

5. Actual charges will be posted via an IT in period 1 of FY04-05. At this time, agencies should compare the actual to the estimate and reverse their accrued payable. This reversal should occur prior to the close of period 1 in FY04-05.

In order to make final billing corrections for Multi-Use Network, data lines, or phone lines prior to fiscal close, the Department of Personnel and Administration requires that coding changes be communicated to Sheryl Whala (phone 303-866-2793, e-mail sheryl.whala@state.co.us) by June 16 .

INTRA/INTERFUND RECEIVABLE /PAYABLE CONFIRMATION FORM
FOR THE FISCAL YEAR ENDING JUNE 30, 2004

BUYER AGENCY

SELLER AGENCY

Agency Code: _____

Agency Name: _____

Contact Person: _____

Phone: _____

Fax: _____

E-mail Address: _____

Description of Service	BUYER			
	Fund	Acct	Payable Amt.	JV Doc ID

	SELLER			
	Fund	Acct	Receivable Amt.	JV Doc ID

TOTAL \$ _____

\$ _____

Note: Interfund payable accounts (236X and 2940) must be matched with interfund receivable accounts (137X and 1720). Intrafund payable accounts (239X and 2950) must be matched with intrafund receivable accounts (139X and 1730). A confirmation form may not include more than one fund for both the buyer AND the seller. Either the buyer or the seller may report multiple funds on one form, but not both. Submit the completed and signed form to Karoline Clark in the State Controller's Office - Phone: 303-866-3811 or Email: karoline.clark@state.co.us

Buyer Agency
Controller's Approval:

Seller Agency
Controller's Approval:

Date: _____

Date: _____

